24 SEP 1934

Report

OF THE

Bombay Chamber of Commerce

FOR THE YEAR 1933.

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(Established 22nd September 1836)

(Incorporated 18th June 1924)

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Bombay
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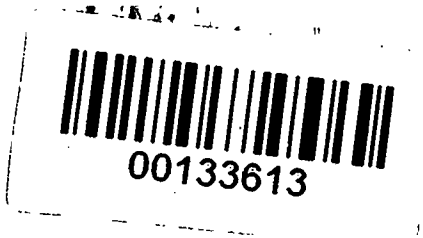
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,, ,,	THE HON'BLE MR. E. MILLER.
Government of Bombay Road Board.	THE HON'BLE MR. E. MILLER.

CHAIRMEN AND SECRETARIES OF THE BOMBAY CHAMBER OF COMMERCE.

Chairmen.

J. Skinner	1836–37
M. T. Brownrigg	1837–38
H. G. Gordon	1838–39
J. Skinner	1839–40
T. R. Richmond	1840–41
C. B. Skinner	1841–42
S. D. Murray	1842–43
J. Wright / E. Lyon	1843–44
T. Cardwell	1844–45
J. Smith	1845–46
W. Graham	1846–47
John Parsons	1847–48
A. G. Latham	1848–49
Robert Strong	1849–50
W. S. Grey	1850–51
John Parsons	1851–52
A. H. Campbell	1852–53
H. B. Gilmour	1853–54
James Graham	1854–55
W. F. Hunter	1855–56
A. T. Binny / H. B. Gilmour	1856–57
John Fleming	1857–58
Robert Ryrie	1858–59
H. D. Cartwright / Henry Scott / Andrew Grant	1859–60
George Hamilton / George Lord	1860–61
James N. Fleming / Michael H. Scott	1861–62
Robert Hannay / Alexander Brown	1862–63
Andrew Grant	1863–64
A. C. Gumpert / Alexander Stewart	1864–65
A. J. Hunter	1865–66
W. Christian / A. J. Hunter / Alexander Brown	1866–67
J. Foggo	1867–68
Hamilton Maxwell	1868–69
H. E. Astley / D. Graham	1869–70
A. D. Grant	1870–71
W. G. Hall	1871–72
J. K. Bythell	1872–73
H. E. Bright / E. Lord	1873–74
D. Watson	1874–75
J. A. Forbes	1875–76
G. F. Henry / Donald Graham	1876–77
Walter Lang	1877–78
M. Mowat	1878–79
C. Macdonald	1879–80
J. N. Graham	1880–81
E. Comber / W. M. Macaulay	1881–82
James Thorburn	1882–83
Sir F. Forbes Adam, Kt., C.I.E.,	1883–84, 1884–85, 1886, 1887, 1888, 1889

Chairmen—contd.

A. F. Beaufort *1890
E. R. W. Forrest, *1890, 1891, *1892
J. L. Symons *1892
R. S. Campbell *1893
W. R. Macdonell, 1893*, 1894, 1895
A. F. Beaufort 1893
A. Abercrombie 1897
R. H. Macaulay 1898
A. Abercrombie 1899
William Greaves, 1900, 1901, *1902
J. M. Dick .. *1902, 1903
C. H. Armstrong .. 1904, 1905
H. E. E. Procter 1906
C. H. Armstrong .. 1907
Sir Henry Procter, Kt. .. 1908
C. H. Armstrong .. 1909
R. G. Monteath 1910
Sir Chas. Armstrong, Kt. 1911, 1912, 1913
Marshall F. Reid, C.B.E. .. 1914
T. W. Birkett 1915
J. S. Wardlaw Milne .. 1916
Malcolm N. Hogg .. 1917, 1918
Nigel F. Paton 1919
A. H. Froom 1920
H. P. W. Macnaghten .. 1921
Sir Frank Nelson, Kt. 1922, 1923
L. S. Hudson 1924
V. A. Grantham 1925
Sir Joseph Kay 1926
Sir Leslie Hudson .. 1927
Sir Hugh Cocke 1928
G. L. Winterbotham .. 1929
J. R. Abercrombie .. 1930
E. Miller 1931
R. R. Haddow *1932
Sir Hugh Cocke *1932
W. G. Lely 1933
G. L. Winterbotham .. 1934

Secretaries.

R. X. Murphy 1836–38
J. E. Brenan 1838
R. X. Murphy 1838–41
T. J. A. Scott 1841–46
John Connon 1846–57
John Mawson 1857–59
J. A. Crowe (Acting) .. 1858–59
H. Brooke 1859–64
James Taylor 1864–73
John Gordon 1873–84
David Watson (Acting) .. 1881–82
John Marshall 1884–98
Frederick Noel Paton 1898–1905
J. B. Leslie Rogers .. 1905–1911
R. E. Gregor-Pearse 1912–1920
C. B. Sayer 1921–1925

R. J. F. Sulivan—Appointed 1925.

* Part year.

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360	0	0	32	0	0	1	12	0	8	0	0	0	12	0	Mail.
									10	0	0	0	14	0	Inland.
325	0	0	30	0	0	4	0	0	4	0	0	0	6	0	
325	0	0	30	0	0	4	0	0	4	0	0	0	6	0	
40	0	0	4	0	0	1	8	0	2	0	0	0	3	0	
96	0	0	9	0	0	9	0	0	0	6	0	0	0	9	
40	0	0	6	0	0	6	0	0	0	6	0	0	0	9	
36	0	0	5	0	0	5	0	0	0	6	0	0	0	9	
84	0	0	10	0	0	3	0	0	2	0	0	0	3	0	
16	0	0	..			8	0	0	0	1	0	..			
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..			..			..			..			..			
36	0	0	3	0	0	3	0	0	..			..			
..			..			..			..			..			
..			..			5	0	0	..			0	2	0	Mail.
												0	1	0	Inland.
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												0	0	6	Inland.
..			..			15	0	0	..			3	0	0	Mail.
												1	8	0	Inland.
..			..			5	0	0	..			0	8	0	Mail.
												1	0	0	Inland.
..			..			5	0	0	..			0	8	0	Mail.
												0	4	0	Inland.

Note in regard to items that were formerly printed in the Annual Reports of the Chamber but have been omitted from this Report.

With a view to economy it was decided in 1932 to reduce the cost of printing the annual report of the Chamber by discontinuing the publication in the report of the following items. The pages shown against each item are those in which the item appears in the annual report for 1931.

Memorandum and Articles of Association.
(Volume I, pages 357 to 389.)

Copies of these can be obtained from the Secretary at a cost of Rupee one to members and Rs. 5 to non-members.

By-laws for the election of members of the Chamber as Trustee of the Port of Bombay, etc.
(Volume I, pages 390 and 391.)

By-laws of the Chamber to regulate the arbitration of commercial disputes by the Chamber.
(Volume I, pages 392 to 398.)

Copies of these are available to members and others applying for arbitration.

Rules regarding Committees of Arbitration.
(Volume I, pages 399 and 400.)

Provident Fund Rules.
(Volume I, pages 401 to 409.)

Bombay and other Chambers' Tonnage Scales.
(Volume I, pages 423 to 429 and 524 to 530.)

Copies of the Bombay Chamber's Tonnage Scale may be obtained from the Secretary at 8 annas per copy. Those of the other Chambers may be inspected in the rooms of the Chamber by members interested.

General Rates of Commission.

(Volume I, pages 430 to 433.)

Copies of these may be inspected in the rooms of the Chamber by members interested.

Bombay Port Trust Wharfage Charges.

(Volume I, pages 435 to 523.)

Copies of these may be inspected in the rooms of the Chamber or can be obtained direct from the Bombay Port Trust.

Holiday Lists.

(Volume I, pages 554 to 560.)

Copies of these are distributed among members each year and extra copies can be obtained on application to the Secretary.

Tariff Schedule.

(Volume II, pages 91 to 162.)

Copies of the Schedule are available for inspection by members in the rooms of the Chamber.

Statistics.

The publication of the following statistics, which were copied from the Government Statistical Returns, has been discontinued. They are however available for inspection by members in the rooms of the Chamber.

Foreign Trade of British India.

(*a*) Imports (Volume II, pages 315 to 343).

(*b*) Exports (Volume II, pages 344 to 359).

Foreign Trade of the Port of Bombay.

(*c*) Imports (Volume II, pages 360 to 383).

(*d*) Exports (Volume II, pages 384 to 395).

(*e*) Exports of Indian Cotton Grey Goods (Volume II, page 398).

(*f*) Exports of Indian Cotton Yarn (Volume II, page 399).

Bombay Chamber of Commerce.

ANNUAL GENERAL MEETING.

The Annual General Meeting of the Members of the Bombay Chamber of Commerce was held in the rooms of the Chamber, Mackinnon Mackenzie and Company's Building, Ballard Road, Ballard Estate, on Monday, 19th March 1934, at 11-30 a.m. to transact the following business :—

1. To adopt the Report of the Committee of the Chamber for the year 1933.
2. The confirm the nomination of the members of the Committee of the Chamber for the year 1934-35 in accordance with the provisions of Article 37 (*g*).
3. To appoint Auditors of the Chamber's accounts for the year 1934 and to fix their remuneration.

Any other business that may be brought forward.

Mr. W. G. Lely, M.L.C., President of the Chamber, presided and was supported by Mr. L. A. Halsall, Vice-President, and Messrs. T. E. Cunningham, J. J. Flockhart, J. F. Macdonell, A. McIntosh, J. C. Pender, W. M. Petrie and Albert Raymond, Members of the Committee.

Among those present were :—

His Excellency the Right Hon'ble Lord Brabourne, G.C.I.E., M.C., Governor of Bombay; the Hon'ble Sir Ghulam Husain Hidayatallah, K.C.S.I., Member of the Executive Council; The Hon'ble Khan Bahadur D. B. Cooper, Minister for Local Self-Government; Mr. C. G. Freke, F.S.S., I.C.S., Secretary to Government, Finance Department; Mr. M. Slade, I.C.S., Collector of Customs, Bombay; Mr. C. H. Bell, Presidency Portmaster, Bombay; Mr. W. D. N. Clarke, H. M. Trade Commissioner, Bombay; Mr. W. R. S. Sharpe, Chairman, Bombay Port Trust; Seth Mathuradas Vasanji, President, Indian Merchants' Chamber; The Consul for the United States of America; The Consul for Norway; The Consul for Poland; Sir Leslie Hudson, Kt.,

M.L.A. ; Lieut.-Colonel W. St. J. Carpendale ; Mr. C. R. Sharpe ; Mr. V. N. Chandavarkar.

The following members of the Chamber were also present :—

Mr. E. J. Judah	Messrs. Andrew Yule & Co., Ltd.
„ N. C. E. Brander ..	„ W. & T. Avery, Ltd.
Sir Joseph Kay, Kt. ..	„ W. H. Brady & Co., Ltd.
Mr. H. H. Lakin ..	
„ D. Moir	
„ R. L. Ferard ..	
„ W. G. McKee ..	„ P. Chrystal & Co.
„ E. Donovan ..	„ Cox & Kings (Agents), Ltd.
Commander H. J. Miller.	„ Ericson & Richards.
Sir Hugh Cocke ..	„ A. F. Ferguson & Co.
Mr. C. F. Morris ..	„ James Finlay & Co., Ltd.
„ E. J. Bunbury ..	„ Forbes, Forbes, Campbell & Co., Ltd.
„ F. W. Klatt	„ General Motors (India), Ltd.
„ T. Sinclair Kennedy	„ Glenfield and Kennedy, Ltd.
„ J. Mair	
„ J. N. Graham, V.C.	„ Grahams Trading Co., Ltd.
„ H. A. Henry ..	
„ J. L. Riordan ..	„ Heatly and Gresham, Ltd.
„ Nandlal Kilachand ..	„ Kilachand Devchand & Co., Ltd.
„ E. C. Reid	„ Killick Nixon & Co.
„ G. C. Phillips ..	
„ V. F. N. Paton ..	
„ T. A. H. Harrison ..	
„ R. H. Tucker ..	„ Lionel Edwards, Ltd.
„ Alan Harger ..	
„ N. Bruce Macbeth ..	„ Macbeth Bros. & Co., Ltd.
„ A. K. G. Hogg ..	„ Mackinnon Mackenzie & Co.
„ C. S. Taunton ..	
„ N. M. McLeod ..	
„ J. E. Bain	
„ A. Kirkwood Brown	

Mr. Cavasji Cursetji Dalal	Messrs. Moolji Jaitha & Co.
„ L. G. Ellis	„ F. & C. Osler, Ltd.
„ E. G. Montgomery ..	„ Owen & Okell.
„ D. J. T. Owen ..	
„ P. M. D. Sanderson	„ Phipson & Co., Ltd.
„ A. S. Micrulachi ..	„ Ralli Brothers, Ltd.
„ F. S. Woodcock ..	„ Richardson & Cruddas.
„ O. A. Guggenheim ..	„ E. Spinner & Co.
Sir N. B. Saklatvala, C.I.E.	„ Tata Sons, Ltd.
Mr. G. L. Winterbotham	„ Wallace & Co.
„ J. R. Abercrombie ..	„ Wilson Latham & Co., Ltd.
„ A. B. O. Tweddle ..	„ Asbestos & Belting Co., Ltd.
„ C. N. Moberly, C.I.E.	„ Bombay Electric Supply & Tramways Co., Ltd.
„ A. S. Trollip ..	
„ W. T. Lane	„ Bombay Gas Co., Ltd.
„ L. W. Boulter ..	
„ R. H. Parker ..	„ Bombay Telephone Co., Ltd.
The Hon'ble Mr. E. Miller	„ Burmah-Shell Oil Storage and Distributing Co. of India, Ltd.
Mr. G. H. Cooke ..	
„ G. O. Pike	
„ D. A. Fyfe	
„ R. Anderson.. ..	The Central Agency, Ltd.
„ H. G. Sale	W. T. Henley's Telegraph Works Co., Ltd.
„ W. A. Bell	Imperial Chemical Industries (India), Ltd.
„ J. G. Lancaster Wells	Imperial Tobacco Co. of India, Ltd.
„ R. S. Stroud.. ..	
„ N. M. Chinoy ..	Motor Manufacturers and Importers Association.
„ S. R. Bhagat ..	Western India Oil Distributing Co., Ltd.
„ J. P. Mehta	Bombay Steam Navigation Co., Ltd.
„ A. G. Gray	Bank of India, Ltd.

Mr.	J. G. Ridland ..	Imperial Bank of India.
,,	W. R. Ward, O.B.E.	Imperial Bank of Persia.
,,	J. E. Moir	P. & O. Banking Corporation.
,,	L. Randall	Atlas Assurance Co., Ltd.
,,	E. Rose	
,,	L. G. B. Gould ..	General Accident, Fire and Life Assurance Corporation, Ltd.
,,	R. J. Duff	New India Assurance Co., Ltd.
,,	C. R. C. Gardiner ..	New Zealand Insurance Co., Ltd.
,,	V. C. Wright ..	Royal Insurance Co., Ltd.
,,	T. W. Brough ..	

Mr. R. J. F. Sulivan, Secretary, and Mr. H. Royal, Assistant Secretary of the Chamber.

The notice convening the meeting having been read, Mr. W. G. Lely, in opening the proceedings, said :—Your Excellency and Gentlemen,—My first pleasurable duty this morning is to extend to His Excellency, on behalf of its members, a very warm welcome on this his first visit to the Bombay Chamber of Commerce. We set great store by the personal contact which we have been privileged to maintain with successive heads of the administration of the Province, and not least by the public manifestation of interest in our problems which is afforded by attendance at our annual general meetings. We are gratified by His Excellency's presence to-day, and we regard this as a gracious token of assurance that we may, throughout his period of office, look for continuance of the sympathetic interest in our activities, and guidance and support in our difficulties, which the Chamber has been fortunate enough to receive at the hands of his predecessors.

His Excellency's first visit to us coincides with the holding of our first annual meeting in new premises. I think that we must all feel an element of regret at severing a long association with the building, bearing the time-honoured name of Graham, which has housed the Chamber for some 70 years. It cannot

however be gainsaid that the locality of Parsi Bazar Street, whatever it may have been in the past, does not now offer amenities comparable to those of Ballard Estate. The old Board Room had no doubt a certain dignity which this room has perhaps not yet had time to acquire, but questions of light, air and above all noise, are compelling practical considerations, and I hope that the action of the Committee in making the move will have the approval of members generally. They will at any rate, I am sure, endorse the Committee's selection of a new landlord in a firm no less honoured in the annals of the Chamber than the old, Messrs. Mackinnon Mackenzie & Co.

It is satisfactory to record, particularly in times like the present, some growth in the membership of the Chamber during the past year, from 174 to 181. The Chamber, like other bodies, receives, and no doubt merits, its share of criticism, but I think that no responsible person will fail to admit that on the whole it functions with efficiency, and that it performs work of great importance to the trade of this city and of the Presidency. This work is done for the benefit of commercial interests generally, and should therefore receive the support of all. Most of it, as you know, is done through Sub-Committees, and the growth in their number is an index of the expanding interests which the Chamber serves. Ten years ago there were only four standing Sub-Committees, to which have since been added Sub-Committees for Income Tax, Labour and Agriculture. Last year an eighth (Electricity) was set up, and we have two more in prospect. There is still a number of firms and companies in Bombay, eligible for membership of the Chamber, which are not members, and I would ask them to consider whether an obligation does not lie upon them to bear their share,—financially not a very onerous one—in maintaining an organisation which labours as much in their own interest as in that of those who already do so.

I am glad to be able to point to the fact that the Chamber's accounts for 1933 make a better showing than for the preceding year,—a deficit of Rs. 894 against Rs. 12,078. This improve-

ment is mainly due to the retrenchments recommended by the Special Sub-Committee which at the close of 1932 was appointed to consider the Chamber's finances. Expenditure, largely as the result of a cut which it was found necessary to impose in the renumeration of the staff, was reduced by almost exactly the amount of the previous year's deficit. Against this, there was some further slight falling off in receipts, in respect both of statistical returns and of measurement fees, which offset the small increase in membership subscriptions, and left the debit balance mentioned above. In the circumstances, the Committee have not felt themselves in a position to consider for the current year restoration of the cuts in the salaries of the staff.

That is all that I need say on domestic affairs. The resolution which I have to move is the adoption of the Report and of the Accounts for last year, and for that reason I have dealt with these matters first. I hope you will now bear with me while I turn to a brief review of some of the more important extraneous questions which have occupied the attention of your Committee during the year.

Diversion of Trade from Bombay.

One of the most vital issues before the Chamber has been the continuance of its efforts to check the loss of trade which Bombay has been progressively suffering during recent years. The main features of this exceedingly difficult problem will be already familiar to you. The principal source of trouble is of course the severe and uneconomic competition offered by the maritime States of Kathiawar. The growing intensity of this can be readily illustrated by the quotation of a few salient figures.

Imports into Kathiawar, as officially recorded by the Department of Commercial Intelligence, have risen in value from Rs. 2,76 lakhs in 1931-1932 to Rs. 4,13 lakhs in 1932-1933, an increase of 49½ per cent. Of these totals the State of Bhavnagar accounted for Rs. 76 lakhs in 1931-1932 to Rs. 2,33 lakhs in 1932-1933,

an increase of no less than 206 per cent. Unfortunately the monthly statistics, from which these figures are taken, like many others which issue from Government Departments, make their appearance very late. Though we are now in the middle of March, the latest issue received is that for June 1933. Actually the import figures for April/June last show some little falling off as against the same three months in the preceding year, but the period is too short, I am afraid, for us to derive any comfort from them. That the reduction is not really significant would seem to be borne out by confidential information, received by the Chamber from an authoritative source, to the effect that imports into Bhavnagar for the official year of that State, December 1932/November 1933, reached the very high figure of Rs. 4,15 lakhs, thus actually exceeding the imports into the whole of Kathiawar in the year ending 31st March last.

It is a pity that Government statistics on this subject do not go back further than the year 1931/1932. There is, however, other evidence of the intensity with which the trade of Kathiawar has grown in recent years, in figures quoted by the Indian States Enquiry Committee in their report. They pointed out that between 1926 and 1931 Customs duties on imports into Bhavnagar had increased from Rs. 9 lakhs to Rs. 51 lakhs. The collections are now, I believe, in the neighbourhood of a crore. An ironical feature of the case is the extent to which the Government of India have themselves contributed to this enormous loss of their own revenue by the succession of increases which they have imposed in the level of Customs import duties. Every fresh levy only provides additional incentive to importers to bring their goods to ports where, in one way or another, these tremendous charges may be modified, if not avoided.

And of course the figures which I have quoted do not represent the whole of the picture. They cover only the trade which is officially recorded in returns available to the Government of India. I am told that there is a brisk smuggling trade going on, which finds its way into India not through any port at all, but

by country craft into which cargo is discharged at sea, and which land it, without any tiresome Customs formalities, up some quiet creek or on some convenient beach. Another inlet is through the State of Cutch, where the Government of India exercises no rights in the matter of Customs duty, while it does not seem open to question that smuggling is rife over the Viramgam Customs line, which is designed to prevent goods entering British India from the Kathiawar States without transfer to the Government of India of the duty to which they should have been assessed at the port of landing.

I should like to make it plain here that I am not bringing a general charge of malpractice against the Kathiawar States. It seems probable that some measure of injustice has been done to them, and particularly to Bhavnagar, in the canvassing of this matter. Attention is naturally liable to be focussed on this State, as it surpasses in the volume of its imports all the rest of Kathiawar together, while the treaty rights which it enjoys are unique. The other States are required to levy import duties in accordance with the Imperial Customs tariff, but are entitled to retain the tax collected in respect of goods consumed within their own territory. Bhavnagar alone possesses what must now appear the fantastic privilege of keeping the duty herself, even though the goods cross into British India. It is not, I think, alleged by those in a position to know that Bhavnagar fails to charge the full rate of duty on her imports, but there can be no gainsaying the fact that she has been presented by Providence, in the form of the Government of India, with an unheard of means of developing her ports, railways and other services without capital cost to herself, and of thus putting herself into a position where she can offer facilities to trade on terms which cannot possibly be matched by ports whose growth has been effected by the methods of ordinary finance.

This is the position with which the port and city of Bombay are faced, and for which this Chamber has for many years been pressing the Government of India to find a remedy. So far as

I can see, this can only come through the revision of the treaty rights enjoyed by the Kathiawar States. It is not to be supposed that, whatever may be done, all the trade which has found this new channel can be recovered for Bombay. It must be admitted that Kathiawar by its geographical position is the natural route by which the trade of certain parts of India can most economically be served, but it is inconceivable that the Government of India should continue to allow the prosperity of perhaps the most important trade port of British India, endowed by nature with a magnificent harbour, and provided at enormous expense with docks and shipping facilities on the most up-to-date scale, to be endangered by subjection to competition based on the uneconomic conditions which I have attempted to describe. Hitherto the various representations which have been made in the matter to the Government of India not only by this Chamber, but also by the Port Trust and by other bodies concerned, have been met with scant sympathy, and hardly even with any indication that the seriousness of the problem is recognised. That attitude on the part of the Government of India is now, I believe, undergoing a change. It is no secret that the matter has been strongly pressed upon the attention of the Government of India during Your Excellency's recent visit to Delhi, and all those who have at heart the welfare of Bombay must feel gratitude to Your Excellency for your active personal intervention in this controversy. I was encouraged to read that in the course of the recent Budget debate in the Legislative Assembly the Finance Member gave the house his assurance that the whole question was receiving the urgent consideration of the Government of India. No doubt there are difficulties in the way of a settlement, but I think that no reasonable person would maintain that a treaty made 70 years ago, when import duties were non-existent, or so light as to be negligible, may not properly be subject to revision in the entirely altered conditions of to-day. It seems to me that it is along these lines that solution should be sought and that revision of the unique rights enjoyed by Bhavnagar should be accompanied, in the case of other States less privileged

but perhaps only in degree less dangerous to the finances of British India and to the welfare of this port, by an arrangement to place the administration of Customs more directly under the supervision, if not actually under the executive control, of the Imperial Customs Service.

I have dealt up to this point with one side of the question only. Until recently the damage caused by Kathiawar has been chiefly in respect of the import trade. This is easy enough to understand, as there is not in the case of exports the same monetary incentive which is provided by the Customs duties on imports. But it must stand to reason that the one will lead to the other, and that the tendency will be increasingly to provide vessels, after discharge of their imports, with outward cargoes too. Indeed the figures for the first quarter of the present financial year, *i.e.*, April/June 1933 already show a tremendous advance. Exports during the three months have been in :—

	Rs.
1931	13,61,000
1932	14,22,000
1933	97,22,000.

Practically the whole of this enormous increase is due to shipments of raw cotton which have gone up as follows :—

	Rs.
1931	33,000
1932	4,01,000
1933	84,17,000.

We have now had striking evidence nearer home also of the readiness with which the export trade will seek the cheapest outlet. Bombay merchants have long complained of the high cost of shipping their cotton from Bombay. The chief object of attack has been the town duty of Re. 1 per bale levied on all cotton entering the city, and shared between the Government of Bombay and the Municipal Corporation. This tax, which was levied in 1920, for the special purpose of assisting to finance

the operations of the Development Department, has combined with high port charges and railway freight to give Bombay the reputation of an expensive outlet for the shipment of cotton, and the last few months have witnessed the rapid development on the part of exporters of methods to avoid these charges by railing their cotton to Surat, and latterly also to Mumbra and Thana, whence it has been shipped in country craft to be loaded overside into steamers in the Bombay docks, and even in the stream. In this way merchants have found a means, both of escaping the town duty, and of substantially reducing their liability in the matter of Port Trust charges. It is probably true to say that the result of this rapidly growing diversion, which has threatened, if unchecked, to deprive Bombay of the trade which has been immemorially its own, has been to weld public opinion of all shades to a degree of unanimity never before known in the commercial history of this city. Strong pressure has on all sides been brought on Government, and on the Corporation, for the removal of the town duty, and in the last week we have had the great satisfaction of seeing a Bill published by Government for this purpose. The Bill comes before the Council to-day, and it is certain to receive the almost unanimous support of the House. It provides for the repeal of the Town Duty as from 1st April this year.

Contingent upon this action by Government is the decision, already provisionally announced by the Chairman of the Port Trustees, to reduce their wharfage charges on cotton from 12 to 8 annas per bale, and to remove certain further terminal railway charges. Similarly the Railways expressed their willingness on the same condition to reduce their rates of freight on cotton, and reductions have now been announced which should complete the chain of remissions necessary to remove these particular disadvantages under which Bombay is at present watching her cotton export trade desert her. The danger that it might be allowed to go never to return now seems happily to be averted, and our thanks are due to Your Excellency's Government for

their bold and prompt action. One must hope that the Government of India will be influenced in their handling of the wider and far more important question of Kathiawar competition by this demonstration on the part of Bombay that she is determined so far as it lies within her power, to make whatever sacrifice may be necessary for the retention of her trade.

The Indo-Japanese Agreement.

The other outstanding feature of the year has been the culmination of endeavours to deal with the menace of Japanese competition in Indian markets. In this movement the Bombay Chamber has taken a leading part. You will remember that in the middle of 1932 representatives of the Chamber, in the persons of Mr. Haddow and Mr. Halsall, joined in a deputation, led by Mr. H. P. Mody, of the Bombay Millowners' Association, which waited on the Government of India, and urged the necessity of immediate action to protect Indian industries against the growing severity of Japanese competition. The particular ground for appeal was the adventitious aid in the matter of price which was afforded to Japan by the heavy depreciation of her currency. The leader of the deputation naturally concentrated chiefly on the needs of the textile industry, but the representatives of this Chamber endeavoured to broaden the basis of the appeal, and claimed equal consideration for other Indian industries in the same danger. The result was an increase in duty in August 1932 on non-British piecegoods from 20 to 50 per cent. This increase was made under Section 3 (5) of the existing Tariff Act.

The next step was a resolution moved by this Chamber at the general meeting of the Associated Chambers in January 1933, and unanimously adopted, urging immediate legislation for the protection of indigenous industries against imports from countries with depreciated exchange or other artificial advantages. This was followed up in March by a written representation to the Government of India, in which your Committee again directed attention to the dangers of the situation, pointing

out that certain industries were threatened with extinction, and that the industrial progress of India would receive a severe set-back if remedial action were not taken. In this matter your Committee recognised that legislation on the lines suggested might not be considered consistent with the principles of the policy of discriminatory protection adopted by India, which would strictly preclude the granting of protection to any industry until after full enquiry by the Tariff Board. It was pointed out, however, that matters had reached a stage at which the delay involved in the Tariff Board procedure could not be suffered. The Chamber contended that the increase of the duty on cotton goods in the previous year had been rendered ineffective by further currency depreciation, and Government were urged to devise steps immediately for protection of the Textile Industry in particular and of other industries in general.

The Government of India were impressed with the needs of the situation, and in April they introduced the Safeguarding of Industries Bill. The purpose of the Bill was to sanction prompt executive action, by way of increased import duties in defence of any Indian industry which could satisfy Government that its existence was endangered. It was laid down that any measures taken under the Act should require confirmation as soon as possible thereafter by the Central Legislature. The Bill was passed, and remains in force until 31st March 1935.

Actually subsequent developments have been such that the provisions of the Bill have not been used. The existence of the Indo-Japanese Trade Convention, negotiated in 1904 by His Majesty's Government on behalf of British India, made it impossible for any discrimination to be drawn between Japanese imports and those from other foreign countries. Accordingly the statutory six months' notice to determine this Convention was given by the Home Government simultaneously with the passing of the Safeguarding of Industries Act. The Chamber Committee had already conceived the idea that the ultimate solution of the whole question must be the negotiation of a fresh

agreement with Japan, the alternative of a truceless tariff war, with every measure taken on one side being answered by further retaliatory action on the other, presenting a prospect which could not be faced with equanimity. In May an announcement was made that negotiations with the Japanese Government were contemplated. The Chamber thereafter addressed the Government of India again, expressing the hope that accommodation of the trade rivalry between the two countries would ultimately be settled by amicable agreement, but urging in the meantime that the position was growing steadily more acute, and that action under the legislation recently enacted should not be further delayed. As an alternative they suggested that, if for that purpose certain preliminary formalities had to be complied with, Government might again use its powers under Section 3(5) of the Indian Tariff Act to give further protection of the Textile Industry. In the following month a notification was issued by which the Government under that Section of the Act further raised the import duty on non-British cotton piecegoods to 75 per cent. This further enhancement of duty no doubt brought relief to the indigenous industry, and at the same time it afforded further protection to textiles of British manufacture, to which of course it did not apply. At the same time it hit severely those members of the Chamber interested in the import of continental piecegoods, which it was recognised were being unfairly penalised by the general application to all foreign goods, inevitable while the Japanese Convention remained in force, of protective measures which were really directed against the competition of Japan.

In September an Official Delegation from Japan actually arrived in India for the specific purpose of negotiating a new trade agreement with India, to take the place of that due to expire early in October. The Associated Chambers were invited by Government to nominate three representatives as unofficial advisers, to be available for consultation with Government on any commercial matters which might be under examination in

the course of the negotiations. The gentlemen nominated were Sir Leslie Hudson, Mr. W. O. Wright from Madras, and Mr. V. F. Gray from the Punjab. Several members of this Chamber had already put in to Government their cases for protection, under the Safeguarding of Industries Act, of industries in which they were interested, and arrangements were made for representatives of the members in question to attend in person at Delhi if required when their particular cases were under examination. The Chamber at the same time submitted to Government though without great expectation of achieving much, a general claim on behalf of importers. In this it was pointed out that there are many firms, both British and Indian, with a stake in the country even though this may not be industrial—it was contended that these firms, whose activities in the past had contributed enormously to the Government of India's revenues, were equally in danger of extinction from Japanese competition, and that they might not unreasonably claim to participate in any protective measures which might be proposed for industrial enterprise.

The upshot of the matter, after protracted negotiations, characterised by the usual crop of unauthorised rumours, was the announcement that terms of agreement with Japan had been reached. These terms briefly provided for (*a*) a maximum import into India of Japanese cotton goods totalling 400 million yards annually, in return for an offtake of 1½ million bales of Indian cotton, (*b*) the immediate reduction of import duty on non-British cotton fabrics to 50 per cent., (*c*) the imposition, under a Tariff Amendment Bill, of specific duties on a number of articles in respect of which protection against Japanese competition had been found to be required, (*d*) the re-establishment of most-favoured-nation terms between India and Japan.

The whole matter was exhaustively discussed in a letter which the Chamber subsequently addressed to the Government of India on 31st January. Copies of this letter were circulated to all members, and I need not recapitulate its terms in detail. In brief, the Committee protested against the reinstatement of

Japan in a most-favoured-nation position, and against the failure of the agreement to provide remedy against the depreciation of the yen which had already occurred. It was recognised, however, that political considerations had operated very strongly against anti-Japanese discrimination, and your Committee were disposed to accept the view, which indeed they had already previously enunciated, that the achievement of an agreement was vital, and that the Government were right to accept this basis if agreement on no other were possible. It was also recognised that the specific duties to be imposed under the Tariff Amendment Act were intended in themselves to provide compensation against the present depreciated Japanese currency, even though opinion might differ as to whether the protection so achieved was adequate. Attention was also drawn to various methods by which the proper working of the agreement might be evaded, and Government were urged in drafting the agreement to see that all such contingencies were provided for in it. The agreement is still in the draftman's hands, and nothing final has yet appeared. I should like to add a word of satisfaction, as speaking for a Chamber with a not entirely negligible quota of Japanese members, that accommodation between the two countries has been reached, and an assurance to those members that our attitude towards the whole question of Japanese competition has been inspired by no feeling of animosity, but has been solely dictated by the compelling necessity of protecting our own trade.

I may mention one development, constituting what may well seem to be a breach of the spirit of agreement, which was not foreseen in the Chamber's letter to Government, but which has since assumed great prominence. This is the question of the allocation of freight for Indian cotton for Japan, which as many of you will know, is regulated not by the shipping lines themselves, but by the Japan Cotton Spinners' Association. The Indo-Japanese Agreement was intended to become operative as from the 8th January, and from that date the reduction in import duty in cotton piecegoods duly applied. The lifting of

the Japanese boycott on the purchase of Indian cotton was to be effective from the same date. Technically no doubt the embargo was removed, but a serious obstacle to the resumption of trade in cotton was raised by the inability or unwillingness of the Japan Cotton Spinners' Association to allocate freight immediately for cotton awaiting shipment, even though the tonnage was available, and much of it in fact left Bombay and Karachi unfilled. The position has been vigorously represented by the Chamber both to the Commerce Department direct, and through Bombay's representatives on the Legislature, and the Chamber has been informed that strong representations have been made in the matter by the Government of India to the Japanese delegation, which it is hoped will elicit full information as to the actions of which complaint was made.

In connection with the Indo-Japanese negotiations, mention should also be made of the very important parallel development which took place when a representative delegation of Lancashire Textile interests visited India for the purpose of discussing matters of mutual concern, both with the representatives of the textile industry in India and with the Government. This most desirable step, in the direction of the reconciliation of the ambitions of the Indian industry with the maintenance of the traditional connection between Lancashire Mills and the markets of India, reached a happy issue in the achievement of an agreement, known as the Mody-Lees Pact, between the delegation and the Bombay Millowners' Association. I consider that the value of these negotiations strikes a great deal deeper than the terms of the agreement reached, although these have been, I think, generally accounted satisfactory to both sides. I think it will be admitted on all sides that the initiation of the discussions and their successful conclusion constitute a tribute to the broadminded outlook of the negotiators on both sides and particularly to the personalities of Mr. Mody and Sir William Clare Lees. The terms of the agreement have been accepted with slight modification by the Government of India, and are

incorporated in the Textile Industry Protection (Amendment) Bill which is now before the Legislative Assembly.

The Finances of the Government of India.

The present Finance Member, Sir George Schuster, has introduced his sixth and last budget, and may, I think, claim that he leaves the finances of India, all the circumstances of the times being taken into account, in a position of remarkable strength. Some of his proposals have naturally come in for criticism, but on the whole they have been met by a fairly general chorus of approval, and evidence of the soundness of his dispositions is afforded, as Sir George Schuster himself has pointed out, by the substantial improvement in the level of Government's sterling securities since the budget was introduced. Approval by the City of London still sets the hall-mark of financial stability.

The main fiscal feature of the Budget proposals appears to be the realisation by the Government of India that in the matter of taxation they are now up against the law of diminishing returns. It has for some time been apparent that this must happen. The conspicuous example is of course in the receipts from customs import duty, which for the current year are now expected to fall below the budget estimates by Rs. 438 lakhs, and it is significant that a further decrease of Rs. 225 lakhs from this source is anticipated in 1934-35.

This tendency, which might in any case be expected to follow from the very heavy surcharges imposed 2½ years ago for revenue purposes, is greatly accentuated by the high tariff duties levied on certain commodities for protective purposes. It is well that the public should realise the cost to them of the protective policy on which India is embarked, and the figures given by the Finance Member in regard to the sugar trade are certainly staggering. As the result of the enormous duty of Rs. 7-4-0 per cwt. introduced three years ago, and since increased by the 25 per cent. surcharge to Rs. 9-1-0, Government's revenue under the head of sugar import duties has fallen from 10½ crores

in 1930-31 to an anticipation of a bare Rs. 2 crores in 1934-35. The excise duty now proposed on sugar produced in Indian factories of Rs. 1-5-0 per cwt. is a clear indication of the truth of the Finance Member's point that the cost of protection, for the development of indigenous industry, must involve the introduction of fresh methods of indirect taxation if the public services are to be maintained.

The proposals of the finance bill for increase and adjustment of taxation seem relatively unimportant, but the Government's programme includes a further financial measure of the first importance. This is their decision to anticipate one of the recommendations of the White Paper to the extent of remitting to the jute growing provinces, mainly Bengal, one half of the export duty on jute. Bombay may well look with envy on this windfall, amounting in the case of Bengal to some Rs. 167 lakhs, and it is easy to understand the tendency on the part of other provinces to question whether the proposal to finance it, by the levy of an all-India excise on the manufacture of matches, is fair to them.

The Finance Member is careful to explain that the immediate relief which it is proposed to afford is not intended to be permanent, and he also accompanies his gift with the very proper condition that the local Governments concerned shall satisfy the Government of India that they themselves are doing everything possible to restore their financial position. But it seems at least open to question whether it is a desirable precedent to appropriate, for the relief of a particular deficit Province, the first fruits of one of the few forms of admissible taxation which remain available to the Government of India for the strengthening of their resources against the demands which will arise from the impending constitutional Reforms.

As you may have seen, I recently took part in the proceedings of a public meeting called by the Sheriff of Bombay for the purpose of ventilating, in the light of the relief now proposed for Bengal, Bombay's claims to more generous financial treatment.

I did so with some misgiving, but with the idea that a resolution on this matter might otherwise be moved with less sense of responsibility and in terms less moderate, which would merely lead to acrimonious argument as between Bombay and Bengal. In proposing the resolution I studiously endeavoured to avoid anything remotely resembling an attack on Bengal, and to confine the issue to presentation of the claims which this Presidency also has for financial help. That being so, I am sorry to see that the purport of the Bombay meeting has been misinterpreted in some quarters in Calcutta, where a counter meeting of protest against Bombay's action was held last week. In more responsible quarters, however, and notably in the pages of "Capital," the reasonableness and moderation of the Bombay view, as I endeavoured to state it, is recognised. I hope that similar recognition will be accorded by the Government of India, and this is a point on which His Excellency may have something to tell us as the result of his recent visit to Delhi.

From the point of view of the business community, one of the most satisfactory features of the Finance Member's speech must be the hope which he expressed in his closing remarks that there will be a margin next year, large enough not merely for the restoration of the cuts in pay, but for the relaxation of other burdens. The experience of the past year, when in addition to the diminution of customs revenue, income-tax receipts have also fallen short of estimate by almost a crore, must bring home to Government more forcibly than any argument can do the need for tempering the wind to the taxpayer.

Bombay Government's Finances.

The Provincial Budget recently presented to the Bombay Legislative Council revealed the following figures:—

Revised budget for 1933-34—

Revenue	Rs. 15,48 lakhs.	
Expenditure	„ 15,44	„
Surplus	Rs. 4 lakhs.	

Budget for 1934-35—

Revenue	Rs. 15,23	lakhs.
Expenditure	„ 15,22	„
Surplus	Rs. 1	lakh.

These figures may perhaps be said to justify the criticism, which was somewhat freely made in the Budget debate, that the balance, if not precarious, is at any rate delicate. Actually I have slightly flattered the figures, by dealing in round lakhs, and the estimated surplus is really no more than ·7 lakhs. It may further be noted that this result is achieved only by failure, with the Government of India's permission, to provide some Rs. 12 lakhs for repayment of debt to the Central Government. Moreover, as the Finance Secretary has explained in his introductory note, it is possible that in his estimates of land revenue and irrigation receipts sufficient allowance may not have been made for loss of revenue due to damage to crops from frost during the very cold spell recently experienced.

On top of this, we now have Government's very welcome decision to abolish the Cotton Town Duty as from 1st April. This is calculated to cost them Rs. 10½ lakhs of revenue during 1934-35. We can no longer, therefore, congratulate Government on a balanced budget, but we can and do congratulate them on their courageous action in upsetting its equilibrium. "Fear and be slain" is the arresting title of an inspiring book written not long ago by Sir John Seely, or, as he now is, Lord Mottistone. Bombay is fortunate in having a Governor who is not afraid, and who intends to live, and means that the trade of Bombay shall live too. I do not belittle the share in it of his colleagues in the Government when I express the belief that it is owing primarily to His Excellency's initiative and vision that this wise and courageous step has been taken. I have no doubt whatever that, in spite of immediate loss of revenue, Bombay's finances will benefit in the long run from a remission which,

aided by the Port Trust and the Railways, should ensure this city retaining her pre-eminence as the central market and entrepot for India's cotton trade.

Government's Finance Bill recently passed retains for yet a third year the Electricity duty which was first imposed as an emergency tax two years ago. This duty has been consistently opposed by the Chamber, and in this year's budget session opposition was carried to the length of supporting an amendment, moved by the representative of the Karachi Chamber, Mr. Humphrey, to eliminate this item from the Finance Bill proposals. The amendment was not however pressed to a division. It is necessary to admit that it only secured limited support in the Council, and it was eventually withdrawn in view of the overriding importance of removal of the Cotton Town Duty, and in recognition of the fact that there is a limit beyond which Government could not agree to forego their revenue.

A similar end befell a token cut moved by one of your representatives, Mr. Greaves, by way of protest against retention of the road tolls reimposed last year. Government have given their assurance that they are endeavouring to devise means of securing from other sources the revenue which would be lost by their abolition—indeed one such scheme has already been put forward and found wanting—and with that position we must for the moment be content.

The commercial community, however, remains unshaken in its determination that, at the earliest possible moment, some relief in taxation, both central and provincial, must be given. In my own remarks in the Budget debate I took occasion to criticise what seemed to be a serious omission in the speech of the Finance Member. In illustration of his point that the present degree of solvency is only comparative, he stated that "neither the emergency cut in pay, nor the suspension of debt repayment, can be continued indefinitely." I expressed concern that the Hon'ble Member made no reference to removal of emergency taxation, and I emphasized that the commercial

community would not be satisfied unless Government put this aim also in the forefront of their programme, side by side with the other two objectives specified.

We may, I hope, pin our faith, that such is Government's purpose, to a remark made by His Excellency in his inaugural address on the opening day of the session. He said that the balancing of the Budget "has only been effected by maintaining for another year many of the retrenchments, including the cut in pay, which we have all along known to be impossible to maintain permanently, and for this reason it has not been possible to contemplate any proposals for reduction of taxation."

We should appear ungrateful for the removal of the Cotton Town Duty if we sought to press the point further at this moment, but I hope that we are entitled to read into these words of His Excellency that it is a part of Government's policy that remission of emergency taxation shall go hand-in-hand with restoration of emergency retrenchments.

Communications.

Roads.—Good communications are essential to commerce, and I make no apology for referring to a subject on which so many of my predecessors have expatiated. The Road-Rail Conference held in Simla in April of last year probably marks an epoch in the development of communications in India. One of the most important resolutions at that Conference recommended that a comprehensive plan should be drawn up, with a view to examining the possibility of development of both main and subsidiary roads from loan funds within the limits available for maintenance. Sir George Schuster indicated that the Government of India might be prepared to give favourable consideration to raising loan money for sound schemes of this nature which might be put forward by Provincial Governments. On enquiry from the Government of Bombay, if they were preparing to take advantage of the Central Government's offer, the Chamber was informed that the question of

selecting schemes to be financed from loan funds was under consideration. It seems to me that in spite of financial stringency the time is ripe for taking in hand schemes of road development, and I trust Your Excellency's Government may be in a position to make an announcement on the subject shortly.

Air Mail.—You will see from the Report before you that your Committee have again been active in urging the development and cheapening of air mail facilities, and I am glad to say that the past year has witnessed a distinct advance in both directions. In July last was introduced the trans-Indian air-mail between Karachi and Calcutta, since extended to Rangoon and Singapore. At the same time, flat rates of surcharges were fixed for articles from any part of India to any European country, and for internal air carriage in India, while an alteration in the timings of the India-England air-mail service gives the public one more day in which to reply to letters received from the West. A further speeding up of the service is now announced for next month, which will bring letters from England to India in five days.

Your Committee have made two further suggestions for reducing the cost of carriage by air-mail, namely, (1) the introduction of a minimum weight of one quarter of an ounce for air-mail letters, with a proportionate decrease in the minimum air-mail fees, and (2) the introduction, in all air-mail services, of concession rates of postage for commercial documents and for commercial samples. Though it has not as yet been found possible to give effect to either of these suggestions, I am not without hope that we may see a substantial reduction in rates at no distant date, possibly through the adoption of a low flat rate for all Imperial air-mail services. In the meantime we have had two days ago the welcome announcement of a substantial reduction in internal air-mail rates.

Labour Matters.

An All India Federation of Employers' Associations was formed early last year. The arguments for and against its

formation are fully set out in the report, and I think it will be agreed that the former greatly outweight the latter. The new body may be welcomed as likely to perform a very useful function in this country, particularly under the new Constitution when labour is likely to receive substantial representation in the Legislatures.

A Factories Bill is at present before the Central Legislature. With the assistance of the Labour Sub-Committee, your Committee have forwarded to Delhi their considered views on the Bill. Its most important provision is that relating to hours of work which, in pursuance of the recommendations of the Royal Commission on Labour in India, it is proposed to reduce from 60 to 54 per week. Although it may be a long time before India follows the lead given by President Roosevelt in the matter of Labour codes, I think few will question that on both practical and humanitarian grounds the Chamber was wise to withdraw its previous objections to the 54 hours week.

Another measure for the amelioration of the lot of labour was under consideration last year, *viz.* The Payment of Wages Bill. I understand that this Bill will be dropped, and another Bill brought in which will be more in consonance with the opinions hitherto elicited.

Constructional Reform.

The past year has seen an important further step in the progress of Constitutional Reform, in the publication in March by His Majesty's Government of a White Paper containing their provisional scheme for the new Constitution in India. The proposals have of course found their critics, both in India and in Great Britain, but I think it may be said that there is a large body of moderate opinion on both sides which is prepared to accept them as providing a scheme which is at once workable and as liberal as the present conditions justify. It remains to be seen in what terms the Joint Select Committee will report, but it would seem probable that the Bill eventually to be introduced will follow the main lines of the White Paper proposals.

So far as the Chambers are concerned, their main duty has been to endeavour to ensure that the provisions in the new Constitution for safeguarding the trading interests of their members under the new Constitution are adequate for the purpose. I should like to take this opportunity of paying a tribute in this connection to the work done in England last year on behalf of the Chambers by Sir Edward Benthall, who was our leading witness before the Joint Select Committee. Mr. Winterbotham appeared before the Committee with him, and those of you who have read the minutes of their evidence will agree that they presented the case of the Chambers very ably.

Another major issue in regard to the new Constitution on which this Chamber in particular has laid great stress is the provision of second Chambers in the Provincial Legislatures. The White Paper proposals contemplate bi-cameral Legislatures only in Bengal, Bihar and Orissa and the United Provinces. This Chamber has consistently urged the great importance of providing for Bombay also the check on precipitate legislation or on unsound financial courses, which may be expected from the addition of a small Upper House and there seems some reason to hope that the Joint Select Committee may recommend this revision of Government's proposals.

Private individuals like myself are in a position to express their opinions as to the future course of events without being called to order by certain Conservative Members of Parliament for anticipating the recommendations of the Joint Select Committee. His Excellency is less fortunate. I am sure that you will agree with me when I say that we deprecate the attempts which have been made by certain politicians in England, who are opposed to Constitutional advance in India, to make political capital out of alleged indiscretions in His Excellency's public utterances.

Reserve Bank.

I am afraid that I have already taken up a great deal of your time, and I must therefore make only the briefest mention

to the passing at the close of the year, in a special Session of the Central Legislature, of that very important piece of legislation, the Reserve Bank Bill. The Bill was based on the findings of a special Committee which sat in London last summer, and on which Indian opinion was strongly represented. The enactment of this measure, which provides for the setting up of a Central Bank for the independent control of her currency, marks a decisive stage in India's advance to political and financial autonomy.

The Bill was not passed without active opposition to those clauses in it which provide for maintenance of the rupee sterling ratio at its present level of 1*s.* 6*d.* Into this controversy the Chamber Committee declined to be drawn. It is clearly stated in the preamble to the Bill that there is no intention to preclude reconsideration of the ratio when the international monetary position is more stable. It may well be that, when that time comes, a change may be judged to be in the interests of India, but it must be right that such a step should not be taken without full and expert examination, to be held under conditions of international stability which do not exist to-day.

Trade Conditions.

I wish it were possible to conclude my remarks with a confident reference to improvement, actual and prospective in the state of the trade of the world generally, and of India in particular. Unfortunately the signs of returning prosperity, in India at any rate, are still not easy to discern. It is permissible to point to the increased earnings of the Indian railways, which from 1st April 1933 up to the middle of February register an improvement over the same period in 1932-33 of Rs. 167 lakhs, though they are still Rs. 5 lakhs less than in the year before that. It is also true that the returns of the major ports Bombay, Calcutta, Madras, Rangoon and Karachi all show some increase in the volume of traffic handled, principally in exports, which is a satisfactory feature. Transport figures

should be an early index of trade tendencies, and we may hope that the movement which these increases indicate will show further rapid expansion. What is wanted, however, is not only larger turnover, but higher prices for the commodities which India produces.

So far as trade in the United Kingdom is concerned, there do appear to be more definite indications that improvement is under way. The exceedingly satisfactory figures of the British Government's finances also suggest the hope that this movement may receive a fillip from some remission of taxation in the coming budget. If there is no set back, we must trust that before long conditions in India will begin to react to the better conditions at home. I think myself that it is possible without undue optimism to say that there is at any rate more ground than at this time last year for believing that the depth of the depression has been reached, though we must not expect recovery to be other than a slow, and perhaps a still painful process.

I must conclude by offering my very grateful thanks, for their admirable work during the past year, to your Vice President, Mr. Halsall, to the other Members of the General Committee, and to the members of the various Sub-Committees. The work of the Chamber has grown to proportions which throw a heavy burden on those who are charged with its responsibilities. So far as I am concerned, I am only too conscious that much of this work has been indifferently performed. Without the indefatigable support of Mr. Halsall, and the help and advice of my other colleagues, I am well aware that the task would have been impossible. In my thanks I wish to include also the Secretary, the Assistant Secretary, and all the other members of the Chamber's staff for their loyal and valuable assistance.

Our warm thanks are due to the Hon'ble Mr. Miller, for his distinguished services as the Chamber's representative on the Council of State. I desire also to make special mention of the

debt we owe to Sir Leslie Hudson. As you know, Sir Leslie sits in the Legislative Assembly as representing the general European constituency of Bombay. The Chamber has technically no claim on his services, but in practice I should like to testify that they are at all times ungrudgingly placed at the Committee's disposal. There have been numberless matters in the past twelve months on which we have invoked Sir Leslie's aid, and my experience has served to prove to me, if I had need of further proof, the vital importance to the Chamber of this permanent liaison with the headquarters of Government.

It only remains for me to congratulate the Chamber on its President and Vice-President for the coming year, Mr. Winterbotham and Mr. McIntosh. Mr. Winterbotham, who has already served as President once, and as Vice-President twice, has a record of devoted service to the interests of the Chamber which must be almost unique. Mr. McIntosh, possessing as he does in a high degree soundness of judgment, independence of view, and capacity for work, will be an invaluable ally. In the hands of these two gentlemen, and of their colleagues whose nomination for next year's Committee I hope you will shortly confirm, the affairs of the Chamber will be in good keeping.

I now formally move that the Report of the Committee of the Bombay Chamber of Commerce, and the Accounts, for the year 1933 be adopted and confirmed.

MR. L. A. HALSALL, The Vice-President, said:—Your Excellency, Mr. President and Gentlemen,—It is my privilege to-day to second the Resolution which the President has just moved. I feel sure you will agree with me that he has given us a very interesting and able review of matters which are of interest to all of us and of importance to the trade and commerce of this City and Presidency. Before formally seconding the Resolution I would like to comment on one or two other matters which have engaged your Committee's attention in the past year

Sea Customs Act.

At our last meeting my predecessor mentioned a resolution adopted at the Annual Meeting of the Associated Chambers of Commerce of India, held in January 1933, inviting the attention of the Government of India to the increasing tendency of the Customs Authorities to assess goods to duty at " market values " under Sub-section (*a*) of Section 30 of the Sea Customs Act rather than at landed cost under Sub-section (*b*). On that occasion I had the duty of moving the resolution on behalf of the Bombay Chamber and, in the course of my remarks, I pointed out that there was a definite tendency on the part of Customs officers to regard as wholesale cash prices for the purposes of the Act the prices of articles as published by importers and wholesale dealers in trade catalogues. In the opinion of the Bombay Chamber it was by no means correct to take such prices as " wholesale cash prices " for the purposes of Section 30 (*a*), as the prices so published included a number of post-importation charges, such as provision for storage charges, insurance, interest, breakage, and depreciation.

In what can only be regarded as a rather naive reply which the Government of India gave some six months later it was stated that the Central Board of Revenue consider that " nothing could be more readily ascertainable than the wholesale catalogue prices of local distributors of established proprietory brands." This, however, is merely begging the question. It was specifically against a too free use of such a basis of assessment that our resolution was directed. The Government of India have declined to resile from that position, however, and your Committee decided, somewhat reluctantly, to drop the matter for the present. I hope members will keep in mind the request the Committee recently made to them that they should make notes from time to time of any instances in which they consider Sub-section (*a*) of Section 30 has been made use of in a manner that operates harshly or unfairly against them with a view to the Chamber re-opening the matter later if this appears desirable.

In this connection I would like to mention a suggestion made unofficially to the Government of India by a gentleman who was one of the unofficial Advisers to Government when the Indo-Japanese Trade Negotiations were in progress. We received only last week a copy of the letter in which the suggestion is put forward. After referring to Your Excellency's recent discussions in Delhi with regard to the diversion of trade from Bombay to Kathiawar ports he goes on to say that as an importer upcountry it makes little difference to him through what port his goods come and he expresses the opinion that one reason for the diversion to Kathiawar Ports is that the British Indian Customs authorities, and those in Bombay particularly, are relying more and more on what they call " market value " under Sub-section (*a*). He points out that whereas this was not of great importance when the revenue duty years ago was 3½ per cent. it becomes quite a different matter when the duties, as now, range from 25 to 50 per cent. and adds that duty at the present high rates is being collected not only on the cost of the goods but again on the profits made by selling agencies in India. Accordingly he urges that the Sea Customs Act should be amended so that duty be charged on the actual cost of goods to an importer and not on the enhanced value which the Customs officers choose to consider as market value. He asserts that if this were done one reason for the import of goods through Kathiawar ports would be removed.

We all appreciate the incentive the present duties give to the Kathiawar States to attract imports to their ports and I hope this very interesting suggestion with regard to the uses and scope of Section 30 of the Sea Customs Act will receive the careful consideration of the Government of India.

Your Committee have also been in communication with the Central Board of Revenue with regard to Section 32 of the Sea Customs Act, and have maintained that the application of Section 32 is imperative, *i.e.*, that if the Customs authorities dispute the correctness of the valuation placed on goods by the

importer and fail to show satisfactorily that that valuation is incorrect they are bound either to accept it or to retain the goods for the use of Government and pay the importer for them at his declared value. The Central Board of Revenue have declined to accept that view and persist in their contention that the application of Section 32 is permissive only. This is a most difficult question and one on which counsel have expressed differing opinions. We are still in correspondence with the Central Board of Revenue, but it appears likely that a case in the High Court will be the only satisfactory method of testing the Board's interpretation of the section referred to.

INFRINGEMENT OF DESIGNS.

I have also to refer to another resolution which was moved at the meeting of the Associated Chambers of Commerce in January 1933 urging that Collectors of Customs should be empowered under Section 18 (*d*) of the Sea Customs Act to detain goods bearing designs which are infringements of designs coming within the purview of the Indian Patents and Designs Act. The arguments I put forward when moving the resolution on behalf of the Chamber have been advised to all members and I need not repeat them here. The Government of India's reply to what we have regarded, and still regard, as a plain and straightforward issue, was most unsatisfactory. They merely referred us to a letter written to the Bengal Chamber in June 1933 dealing with the prohibition of entry into India of piecegoods on which the country of origin and manufacture was not clearly indicated. This is not in any way relevant to the subject-matter of the Resolution and your Committee therefore decided to put forward this subject again at the meeting of the Associated Chambers held in January last. It is satisfactory to know that the Hon'ble Member for Industries and Labour who replied to the resolution stated that the arguments then advanced had made the issue clearer to Government and that they would further consider it. We can only hope that this consideration will not be unduly prolonged, as piracy of established designs is still going on.

Indian Stores Department.

During the past year we have been in communication with the Chief Controller of Stores, Indian Stores Department, in connection with complaints put forward by some of our members as to the harshness with which some of the clauses of the Rate and Running Contracts operate against tenderers.

The principal grievance appears to be against the Rate Contract by which, as you know, the Stores Department do not guarantee to take up any specified quantity during the period of a Contract, and tenderers run a considerable risk of finding themselves with surplus stocks on hand at the expiry of the contract. Rate contracts are intended primarily to apply to the purchase of goods in fairly general use in India. If this principle were adhered to, a tenderer with surplus stocks on hand would not have great difficulty in disposing of those stocks to other buyers. But complaints have reached us that Rate Contracts are also being used in some instances in the purchase of goods of a special nature required for definite purposes and of little use for any other purpose.

As matters stand at present we have been referred to the proceedings of a meeting in 1930 between the Chief Controller of Stores and the Calcutta Import Trade Association. The points raised by certain of our members are still under consideration in relation to what the Chief Controller said at that meeting, but as our reply has not yet been finally drawn up I cannot say more about it now.

Telegram Charges.

As you are aware, ten-letter code words in foreign telegrams were abolished as from 1st January last. The change was adopted in the teeth of commercial opinion, and the International Chamber of Commerce and the Federation of Chambers of Commerce are at present undertaking an enquiry, in which this Chamber and others in this country are co-operating, in order to ascertain the resultant increased cost to code-users.

The intention is, I believe, to make out a case for reversion to the old system, but, so far as I have seen any figures, the financial effect of the present change is less serious than might be supposed.

The adoption of the five-letter code system in foreign telegrams seems to have suggested to the Posts and Telegraphs Department that their revenues might be increased by introducing the same system in inland telegrams without any concession in rates whatever. It was found on examination that the proposal would result in putting up the cost of telegrams by 80 per cent. or more, and your Committee intimated their strong disapproval, as in their view telegraph charges in this country, particularly in the case of express messages, are already unduly high and act as a restriction on trade. It is therefore satisfactory to find that the Finance Member has been able to include in his Budget proposals some relief in respect of short telegrams. You may have noticed that Government also propose some amendment of the very favourable rates at present charged for press telegrams. Their service is at present conducted at a loss of some Rs. 15 lakhs yearly, which the proposed increase in rates will reduce to Rs. 13½ lakhs. This is a matter to which the Chamber Committee drew attention over two years ago, and it would seem that the loss of revenue on this head might well be reduced further.

Chamber's Book of Decisions.

I have only to make brief mention of one other matter and I have finished. In June last year the Chamber issued a revised book of "Decisions on Shipping and Mercantile Matters." This book includes decisions by Committees of the Chamber on various subjects of general interest for a period of 50 years—from 1882 to 1932. This revised edition has been published at a time when every rupee of extra expenditure has had to be carefully considered but your Committee were actuated by the hope that a revised and up-to-date edition would be welcomed by members particularly as the cost of this larger edition has been maintained

at the same level, *viz.* Rs. 5 per copy. A number of members ordered copies of this publication before it was finally completed, but still the demand has not been as great as the Committee had anticipated. I feel sure that if members who have not purchased a copy would obtain one on approval from the Secretary they would after perusal desire to purchase one.

I beg to second the adoption of the Report. The Report was then adopted unanimously.

HIS EXCELLENCY THE GOVERNOR said:—Mr. Lely and Gentlemen—I regard this as a great occasion in the first year of my term of office as Governor of this Presidency. No one who knows anything about India to-day, or who has devoted any study to the history of India in the past, can fail to realise the immensely important part which has been played in its development by the European community, and the position of outstanding importance occupied by the Bombay Chamber of Commerce. I have never failed to realise that the discharge of the immensely important duty committed to me for the next five years involves working in the closest co-operation with the business community of Bombay, and I therefore esteem it a privilege to have opportunities such as this of getting in touch with the important bodies representing the various sections of that community. I thank you, therefore, very much for your invitation to me to be present to-day, which I need not, I hope, assure you I have accepted with the greatest pleasure; and I thank you, Sir, very much for the kind words of welcome which you have spoken about me.

In glancing through your annual report for the first time I have been much impressed, as I think my predecessors have been, at the extent and the variety of the work done by your Chamber. The number of subjects which come under the consideration of your Committee and of the various Sub-Committees is remarkable, and must occupy a great deal of the time of the gentlemen who serve on those Committees. I only hope

that this devoted service, often given in these days of depleted staffs at some considerable sacrifice of the interests of their own business, is appreciated at its true worth by the European business community of this City. I am surprised, however, to find from your President's speech that there are some firms qualified for membership who have not become members of the Chamber.

You are also called upon to supply representatives on many committees and bodies outside the Chamber itself, and I can assure you that Government much appreciates the help and assistance it has received from your representatives in many directions. I have also been interested to see how closely the activities of your Chamber are concerned with the work of Government and how numerous are the occasions when Government approaches you for advice, though I regret to say occasions are not wanting when your Chamber reproaches Government for not taking that advice. This association has, I think, become more intensified in recent years, not only with the Government of Bombay but with the Government of India. For, in these days of budget deficits, with Governments compelled to seek far and wide for increased revenue, it is inevitable that the representatives of commerce and the members of Government should come more often into contact; possibly, also, that such contact should sometimes approximate to collision.

It is natural, Sir, that so very large a portion of your speech at this juncture should be devoted to the question of the diversion of trade from Bombay to the Kathiawar Ports. Even the short time that I have been in Bombay has been sufficient to convince me that this is one of the outstanding questions of the moment. It is, as you know, primarily a question for the Government of India, but in this case the Bombay Government has never taken a narrow and parochial view of its responsibilities, and has always done its utmost to press the claims of Bombay City and Port upon the attention of the Government of India. In pursuance, and, if I may say so, in amplification of this policy, I took special measures before I paid my recent visit to Delhi to

obtain all the information on this subject that I possibly could, for I should certainly have felt that I was failing in my duty if I had not taken the fullest advantage of this opportunity to press upon the representatives of the Government of India both the dangerous position of Bombay and the feelings aroused thereby among the mercantile community thereof.

I think you are fully aware of the difficulties of the problem and the numerous and conflicting interests involved. I hope, therefore, that you will not be unduly disappointed that I am unable to tell you of any immediate results. All I can say is that I was given every possible opportunity of stating my case fully, and that I availed myself thereof to the utmost of my power. More information than this I am afraid I am unable to give you at present.

With the other problem which forms, to some extent, a corollary to the diversion of trade to Kathiawar—the diversion of the cotton export trade to Mumbra and other places on the coast north of Bombay—we have ourselves been able to deal, and I am very glad to hear your appreciation of the steps we have taken. I trust that they will be completely successful in solving the problem presented, for they involve a very considerable sacrifice and have not been decided upon without considerable searchings of heart, and consideration of many arguments on both sides. Seeing that for the first time for some years the Bombay Government had managed, not without considerable difficulty, to present a balanced budget for the coming year to the Legislative Council, you can, I think, well realise what a blow it was to be compelled to shatter this edifice erected with so much difficulty and care by the surrender of 10 lakhs of our revenue, which there are no means in sight of replacing, except by borrowing. I am glad, Sir, that you at any rate express an unqualified approval of our decision. I hope that your prophecy that even its financial results to Government revenue will in the long run prove beneficial will be substantiated by events. For the present I am afraid that the immediate

effect is to unbalance our Budget once more, and to set us back one hardly won stage in the task we have set ourselves of restoring completely the financial equilibrium of the Presidency.

I am glad to have this opportunity of expressing appreciation of the co-operation we have received in this matter from the Port Trust and the Railways. As a result, we hope that the cotton trade will benefit by no less a sum than Rs. 40 lakhs a year, and I sincerely trust that this will be sufficient, completely to check its diversion from Bombay.

Though not strictly and directly the concern of the local Government, may I express my complete agreement with the view you take of the negotiations ending with what has come to be known as the Mody-Lees Pact. I personally attach the greatest importance to putting the business relations between Bombay and Lancashire on as friendly a footing, as I am sure it is possible to do without any neglect of the interests of either. As you say, Sir, the value of these negotiations goes much deeper than the immediate terms of the agreement reached, for it has started a new method of negotiation, and I hope will be the beginning of a new and better spirit in the business relations between Bombay and Lancashire. I am very glad to join in the tribute you pay to Mr. Mody and Sir William Clare Lees in the part they have played in negotiating this agreement.

The Bombay Government are naturally entirely in agreement with the view you have taken of the proposal in the Budget recently presented by Sir George Schuster in the Indian Legislative Assembly to give this Presidency no share of the additional resources to be made available by the imposition of an excise duty on sugar and matches. This additional revenue is to be utilised entirely for the purpose of remitting to the jute growing provinces, mainly Bengal, one half of the export duty on jute. Bombay has always claimed that this Presidency suffers equally with Bengal from the maladjustment of the Meston Settlement,

and has always held that the fact that, by her own very considerable exertions and sacrifices she has kept within manageable limits the difference between her expenditure and her revenue, should not afford ground for refusing to give her, equally with the other industrial provinces, the benefit of any assistance which the Government of India were able to provide. As soon as ever Sir George Schuster's budget speech was published, my Government naturally lost no time in pressing this view once more upon the attention of the Government of India, and, as I myself happened to be in Delhi while the subject was being discussed in the Legislative Assembly, I naturally did what I could to support our case by private discussion with the representatives of the Government of India.

I am extremely sorry to see that there has been a tendency in Bengal to take exception to this very natural desire of ours to do all we could to ensure that the Bombay case did not go by default. I see that in some quarters there has even been an attempt to attribute a sinister significance to my own visit to Delhi, and to say that it was arranged at short notice for this special purpose. I think, however, I may, without being indiscreet, let you know that the invitation to me to visit the Viceroy's House was given by Her Excellency Lady Willingdon some time before I had even seen the shores of Bombay. Our friends in Bengal, however, need not have disturbed themselves unduly, for I am afraid that all the representations we have made to the Government of India seem unlikely to obtain for us anything more tangible than an expression of sympathy.

I feel some regret that the efforts of my Government to present a balanced budget for next year to the Legislative Council have not met with more appreciation. In view of the difficulties and recurring deficits of the past few years, and of the obstinate continuance of the depression in trade, this measure of success was not achieved without great difficulty, and I cannot but think that our achievement deserved more recognition that it

obtained. As, however, it has now been neutralised by the unforeseen necessity of removing the town tax on cotton, this becomes a matter of less importance. I notice, however, your demand that it should be a part of Government's policy that remission of emergency taxation shall go hand in hand with restoration of emergency retrenchments. In this connection I can only state that my Government have accepted as their policy the restoration of complete financial equilibrium in the Presidency's finances. The presentation of a balanced budget is the first step in this process. Even that step, which we thought we had achieved this year, appears to have been retraced at the very time that it has been made. Until we have really consolidated our position it is over early to think of what we are to do with a surplus when we have one, and I do not propose on this occasion to commit myself to any indication of the steps which we shall take thereafter.

I have heard with particular interest what you have to say about the necessity for improved communications and the suggestions made for development thereof by means of raising loan money. In its present financial position the Government of Bombay, of course, can hardly contemplate with equanimity the prospect of imposing any more debt upon the Presidency. They would, however, be prepared to utilise loan money on road schemes in regard to which it could be definitely established that the saving in maintenance charges would be greater than the debt charges. There are, however, extremely few schemes which fully satisfy this test. I am afraid we shall have to wait until our financial position is established on a sounder basis than at present before we can embark on any policy of spending loan money on other schemes of communications which, although not productive in the strict sense mentioned above, would assist in the development of the country's resources.

I am in agreement with your estimate, Mr. President, of the utility of the All-India Federation of Employers' Associations, which was formed last year. Commerce should not be parochial

in its outlook nor provincial in its organisation. While the Federation will no doubt ensure the proper representation of commercial interests in the new Constitution, for my part I try to visualise for it an additional function, that of the apex of an organisation for the prevention and settlement of industrial disputes—a court of appeal within industry itself, such as in other countries, particularly in England, adjudicates upon industrial disputes before the machinery of the Trade Disputes Act is put into operation. Conciliation machinery, which provides for a dispute to be considered first locally, then successively by provincial and national tribunals, formed of representatives of capital and labour, obviously requires that labour should be properly organised, and I am quite sure that you, Gentlemen, like all who have studied the labour problem in this country, would desire to see sound trade unionism established here, instead of the lack of organisation which obtains to-day leading to sporadic strikes, often started for reasons that are vague and not susceptible to conciliation, and kept alive by people who have not at heart the interests of labour, but merely the propagation of a pernicious political creed.

You have referred, Sir, to the Factories Bill and other social legislation that is projected, following upon the report of the Whitley Commission. When capitalism is so often the subject of attack for its alleged inhumanity and indifference to the workers, I think it is worth noting that the associations of employers in this country have rarely opposed the numerous measures that have been brought forward in recent years for the improvement of the conditions of the working classes, although they may have criticised details of these measures. And while you may naturally have had misgivings regarding the effect of the reduction of the hours of the working week from 60 to 54, I am glad to hear that you have been able to withdraw your objection to this proposal. The fact that a number of industrial concerns do, in fact, work only a 48-hour week at present, indicates that the change-over should not present too many difficulties.

'The other subjects, Mr. President, to which you have made reference in your interesting survey of commercial conditions are most of them the concern of the Government of India rather than the Provincial Government. I do not think I can, at this stage, add anything useful to the discussion thereof, and I need not, therefore, keep you longer from the disposal of the business upon your agenda.

Let me conclude by thanking you once more for giving me this opportunity of meeting you here, and for the kind words you have spoken about me.

I thank you, Gentlemen, also for the co-operation and assistance you have already extended to me, and I know that I can count on your advice and co-operation in the future. I shall always regard it as one of the most important of my duties to keep in touch with commercial opinion in Bombay, and particularly with the views of important commercial bodies such as yours. I am fully aware how closely the interests of Government are linked with those of the commercial community, and you can always rely on me and my Government to do all we can to maintain your position, and to give you any help that is in our power. I hope, Sir, that your somewhat gloomy forecast of the prospects of trade in the coming year may prove to err on the pessimistic side, and that we may soon see the dawn of better times, of which both Government and the business community will reap the benefit.

Mr. J. R. Abercrombie, M.C., said:—It is my privilege to-day to move a vote of thanks to the out-going Committee. You have all received a copy of the Chamber's Annual Report and from the further information given in the President's speech, which you have just heard, it must be obvious to all of you that a seat on the Committee is no sinecure. Not only does it entail attendance at the weekly meetings and the careful perusal of files on intricate commercial problems, but during the last few years there have been political problems of the greatest magnitude

in which the European Commercial community have been forced to take a part. This political work is mostly done outside office hours and meetings in the evening, after a long day's work in office, are a tax on the strongest constitution especially when they entail the very careful consideration of constitutional problems on which the legal experts themselves seem continually to disagree. We have not only to thank the outgoing Committee for looking after our current commercial interests but also for their part in the preparation of a very constructive memorandum for submission to the Joint Select Committee on the Indian White Paper.

If these duties have been onerous for the ordinary member of the Committee they have been doubly so for the President and the Vice-President. We have been fortunate this year in having Mr. Lely as our President. He has maintained with dignity and ability the high traditions of this Chamber, not only in the ordinary routine work, but also in the Legislative Council. Under his leadership we have seen a steady growth of cohesion in the ranks of the European Group who speak and vote as a party and are now a recognised force in the debates of the local Council.

We must congratulate Mr. Lely on a very successful term of Office and I am sure you will all wish me to thank him personally for all the work he has done in our interests during the past year.

This vote of thanks would be incomplete without a special mention also of the work done for the Chamber by the Vice-President, Mr. Halsall. There is no one in Bombay who has so consistently and devotedly given his spare time in the service of the community and it is a matter of deep regret to us all that circumstances over which he has no control have prevented him from accepting the honour of the Presidentship of this Chamber. I can only hope that these disabilities will be removed and that

he will, in due course, fulfil his destiny by becoming President of this Chamber for which he has done so much valuable work.

I now move "that the thanks of the Chamber be tendered to the President, the Vice-President and the outgoing Committee for their able conduct of the affairs of the Chamber during the past year."

The proposition was seconded by MR. A. G. GRAY, and carried with acclamation.

SIR JOSEPH KAY proposed, MR. J. G. RIDLAND seconded, and it was agreed :—

"That the nomination of the following members of the Committee of the Bombay Chamber of Commerce for the year 1934-35 in accordance with the provisions of Article 37 (*g*) be and is hereby confirmed :—

MR. E. J. BUNBURY.
MR. G. H. COOKE.
MR. N. S. GOLDER.
MR. L. A. HALSALL.
MR. A. K. G. HOGG.
MR. W. M. PETRIE.
MR. G. C. PHILLIPS."

MR. W. G. MCKEE proposed, MR. R. H. PARKER seconded, and it was agreed :—

"That MESSRS. A. F. FERGUSON & Co. be and are hereby elected Auditors of the Chamber's accounts for the year 1934 at a remuneration of Rupees two hundred and fifty."

On the proposal of SIR HUGH COCKE, seconded by MR. W. M. PETRIE, a hearty vote of thanks was accorded to His Excellency the Governor for attending and addressing the meeting.

A vote of thanks to the President terminated the proceedings.

Bombay Chamber of Commerce.

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ANNUAL REPORT

For 1933.

ELECTION OF PRESIDENT AND VICE-PRESIDENT OF THE CHAMBER FOR THE YEAR 1934-35.

In accordance with the prescribed regulations MR. G. L. WINTERBOTHAM and MR. A. MCINTOSH were elected President and Vice-President, respectively, of the Chamber for the year 1934-35.

CHANGES IN COMMITTEE DURING 1933.

MR. S. FUCHSMANN resigned his seat on the Committee on proceeding to Europe on leave in December 1933, and MR. A. MCINTOSH was appointed to serve in his stead.

BOMBAY LEGISLATIVE COUNCIL.

CHAMBER'S REPRESENTATIVE.

MR. G. L. WINTERBOTHAM, one of the representatives of the Chamber in the Bombay Legislative Council, resigned his seat in May 1933 and in accordance with the prescribed regulations MR. W. G. LELY was elected to serve in his stead. In July 1933, MR. J. B. GREAVES, the other representative, also resigned his seat on proceeding to Europe and MR. A. MCINTOSH was elected to serve in his stead. MR. MCINTOSH

resigned his seat in December 1933 and MR. GREAVES was re-elected to serve in his stead.

BOMBAY PORT TRUST.

CHAMBER'S REPRESENTATIVES.

The terms of office of MESSRS. G. L. WINTERBOTHAM, E. C. REID, W. L. CLEMENT, R. R. HADDOW and G. H. COOKE as the Chamber's representatives on the Board of Trustees of the Port of Bombay expired on the 31st March 1933. In accordance with the prescribed regulations the following gentlemen were elected to serve for a period of two years from 1st April 1933 :—MESSRS. W. L. CLEMENT, G. H. COOKE, T. E. CUNNINGHAM, W. G. LELY and E. C. REID.

MR. J. J. FLOCKHART was elected in May to serve during the absence on leave of MR. G. H. COOKE.

MR. W. L. CLEMENT resigned his seat in October 1933 and MR. W. M. PETRIE was elected to serve in his stead.

BOMBAY SMOKE NUISANCES COMMISSION.

CHAMBER'S REPRESENTATIVE.

The Government of Bombay in September 1933 informed the Chamber that the period of constitution of the Bombay Smoke Nuisances Commission would expire on the 31st December 1933 with effect from which date a new Commission would have to be constituted under the Bombay Smoke Nuisances Act for a further period of two years. The Chamber was requested to nominate the member who would represent it on the new Commission. The Committee re-nominated the Chamber's existing representative, MR. H. F. MILNE.

CENTRAL ADVISORY COMMITTEE FOR LIGHTHOUSES.

CHAMBER'S REPRESENTATIVE.

The term of office of the Central Advisory Committee for Lighthouses of which Mr. A. B. Mallett was the nominee of this Chamber expired on the 31st March 1933, and the Chamber was requested by the Associated Chambers of Commerce of India in February 1933 to nominate a representative to serve on the Committee to be reconstituted with effect from 1st April 1933. The Committee of the Chamber nominated Mr. J. J. Flockhart.

PERSIAN GULF LIGHTHOUSE ADVISORY COMMITTEE.

CHAMBER'S REPRESENTATIVE.

MR. J. C. REED, the Chamber's representative on the Advisory Committee of the Persian Gulf Lighting Department, resigned his seat in December 1933 on leaving Bombay and MR. C. F. MORRIS was nominated to serve in his stead.

TRAFFIC COMMITTEE.

CHAMBER'S REPRESENTATIVE.

MR. J. C. REED the Chamber's representative on the Traffic Committee, resigned his seat in December 1933 and MR. A. MCINTOSH was nominated to serve in his stead.

AUXILIARY FORCE ADVISORY COMMITTEE.

CHAMBER'S REPRESENTATIVE.

LT.-COL. W. T. C. HUFFAM, the Chamber's representative on the Auxiliary Force Advisory Committee, resigned his seat

in March 1933 on proceeding to Europe and SIR JOSEPH KAY was nominated to serve in his stead.

INDIAN SAILORS' HOME COMMITTEE.

CHAMBER'S REPRESENTATIVE.

(*See Report* 1932, *page* 6.)

MR. A. B. MALLETT, the Chamber's representative on the Committee of management of the Indian Sailors' Home, Bombay, resigned his seat in March 1933 on proceeding on leave and the Committee nominated MR. J. J. FLOCKHART to serve in his stead.

ROYAL BOMBAY SEAMEN'S SOCIETY.

CHAMBER'S REPRESENTATIVE.

(*See Report* 1932, *page* 6.)

In February 1933 the Committee re-nominated MR. R. J. F. SULIVAN to serve as a member of the Royal Bombay Seamen's Society under the provisions of Rule 1 (*e*) of the Rules and Regulations of the Society.

RAILWAY RATES ADVISORY COMMITTEE.

CHAMBER'S NOMINEES.

In November 1933 the Railway Board informed the Chamber that they proposed to publish a revised list of representatives of commercial interests on the Railway Rates Advisory Committee and enquired what changes, if any, should be made in the list so far as the Chamber was concerned.

The Committee informed the Railway Board that the only change they desired to suggest was the substitution of

the name of Mr. C. J. Damala for that of Mr. G. Sugdury. The Chamber's nominees in the Committee now are :—

MESSRS. G. C. R. COLERIDGE, C. J. DAMALA, L. A. HALSALL and J. F. MACDONELL, and the HON'BLE MR. E. MILLER.

ST. GEORGE'S HOSPITAL ADVISORY COMMITTEE.

CHAMBER'S REPRESENTATIVE.

The attention of the Committee was drawn in September 1933 to a resolution issued by the Government of Bombay on the 22nd September 1933 reconstituting the Advisory Committee of the St. George's Hospital. In addressing the Government of Bombay in the matter the Committee pointed out that the Chamber had hitherto received no intimation whatsoever of the demise of the previous Advisory Committee for which the Chamber was invited to recommend a member, and on which the Chamber had, since 1926, regarded itself as being represented by MR. F. B. THORNELY. The Committee mentioned that all the three non-official members now nominated by Government were, through their firms, members of the Chamber and that Government's choice had the Committee's entire approval, but the Committee asked that MR. THORNELY'S name might be added. The Committee further expressed a hope that the procedure adopted on this occasion did not mean that Government intended that the Chamber should no longer enjoy the privilege of being consulted by Government as to the nomination of at least one of the members of the Advisory Committee.

Government informed the Chamber in December 1933 that MR. THORNELY had been appointed an additional member of the Advisory Committee and that he should be regarded as the representative of the Chamber on the Committee.

THE GOVERNOR'S HOSPITAL FUND FOR BOMBAY.

In April 1933 the Chamber's representative on the Executive Committee of the Governor's Hospital Fund for Bombay informed the Chamber that the Solicitors of the Fund had been asked to suggest, for the consideration of the Executive Committee, amendment of the Rules of the Fund which would in effect give them power to utilise the annual interest on the invested capital in the hands of the Fund for the purpose of opening and maintaining beds which had been provided with the assistance of the Fund but which were still unopened.

The Committee informed the Chamber's representative that they were in favour of the amendment of the rules suggested and they left him to use his discretion as to the particular hospitals to which the money should be applied.

INDIAN CENTRAL COTTON COMMITTEE.

Chamber's Representative.

Sir Joseph Kay having resigned his seat as the Chamber's representative on the Indian Central Cotton Committee in June 1933, Mr. H. B. Moore was nominated to serve in his stead.

BACK BAY RECLAMATION SCHEME.

Standing Advisory Committee.

(*See Report* 1932, *page* 3.)

The Government of Bombay by a resolution dated 7th August 1933 extended the term of office of the Standing Advisory Committee for the Back Bay Reclamation Scheme for a further period of three years with effect from the 1st August 1933.

GOVERNMENT OF BOMBAY ROAD BOARD.

CHAMBER'S REPRESENTATIVE.

(*See Report* 1932, *page* 3.)

In May 1933, the HON'BLE MR. E. MILLER, the Chamber's representative on the Government of Bombay Road Board, having obtained leave of absence on proceeding to Europe, MR. J. C. REED was nominated to serve during his absence.

The following Resolution No. 5736/27 was published by the Public Works Department of the Government of Bombay on the 29th July 1933 :—

In view of the fact that the Road Board as constituted under Government Resolution No. 3849, dated the 29th April 1926, and subsequently expanded has now become too large and with a view to represent the interests of the Railways Government are pleased to reconstitute it on the following lines :—

OFFICIAL MEMBERS.

1. The Honorable Minister, Local Self-Government—*President*
2. The Chief Engineer, Roads and Buildings.
3. The Secretary to Government, Finance Department.
4. The Secretary to Government, General Department.
5. The Commissioner in Sind or the Chief Engineer in Sind, representing the Divisional Road Board, Sind.
6. The Commissioner, Northern Division, or the Superintending Engineer, Northern Circle, representing the Divisional Committee of Road Board for Northern Division.
7. The Commissioner, Central Division, or the Superintending Engineer, Central Circle, representing the Divisional Committee of the Road Board for Central Division.
8. The Commissioner, Southern Division, or the Superintending Engineer, Southern Circle, representing the Divisiona Committee of the Road Board for Southern Division.
9. The Deputy Secretary to Government, Public Works Department (Roads and Buildings)—*Secretary*.

Non-Officia Members representing the Legislative Council and the District Local Boards.

10. Sardar Rao Bahadur Bhimbhai R. Naik, M.L.C., Representing District Local Boards in the Northern Division.
11. Rao Bahadur G. K. Chitale, M.L.C., Representing District Local Boards in the Central Division.
12. Rao Bahadur S. N. Angadi, M.L.C., Representing District Local Boards in the Southern Division.
13. Mr. G. S. Gangoli, M.L.C., Representing District Local Boards in the Southern Division.
14. Sir Shah Nawaz Khan Bhutto, Kt., C.I.E., O.B.E., M.L.C., Representing District Local Boards in Sind.

Railway Representative.

15. Member appointed by the Railway Board.

Military Representative.

16. The Chief Engineer, Southern Command.

Representatives of various bodies.

One member each of the following bodies :—

17. The Western India Automobile Association.
18. The Indian Roads and Transport Development Association, Limited.
19. The Indian Merchants' Chamber.
20. The Bombay Chamber of Commerce.
21. The Karachi Chamber of Commerce.
22. The Maharashtra Chamber of Commerce.

2. Government are pleased to direct that when a meeting of the Road Board is to be convened, intimation should be sent to the Commissioner in Sind and the Commissioners of Divisions who are the Chairmen of the Divisional Committees of the Road Board and it should be for them to attend the meeting or to arrange that the Chief Engineer in Sind and the Superintending Engineers (Presidency proper) should attend the same.

3. The period of membership of (1) Sardar Rao Bahadur Bhimbhai R. Naik, M.L.C., (2) Rao Bahadur G. K. Chitale, M.L.C., (3) Rao Bahadur S. N. Angadi, M.L.C., (4) Mr. G. S. Gangoli, M.L.C., and (5) Sir Shah Nawaz Khan Bhutto, Kt., C.I.E., O.B.E., M.L.C., should be for the remaining period of the existing Legislative Council.

4. The existing representatives of the Western India Automobile Association, Indian Roads and Transport Development Association, Limited, Indian Merchants' Chamber and the Bombay Chamber of Commerce should continue on the Road Board. These Associations should be requested to communicate from time to time for the information of Government any changes that they wish to make in their representatives.

SUB-COMMITTEES.

The undermentioned gentlemen were nominated to serve on the following standing Sub-Committees of the Chamber for the year 1933-34 :—

Import Sub-Committee.

W. A. Bell, Esq.
J. Cronopoulo, Esq.
A. L. Hutson, Esq.
R. A. F. Kidson, Esq.
J. C. Lancashire, Esq.

Finance Sub-Committee.

E. J. Bunbury, Esq.
N. S. Golder, Esq.
A. G. Gray, Esq.
J. B. Greaves, Esq.
Sir Kikabhai Premchand, Kt.
J. G. Ridland, Esq.

Shipping and Export Sub-Committee.

H. C. Hare, Esq.
A. K. G. Hogg, Esq.
J. G. Milne, Esq.
W. L. A. Radcliffe, Esq.
J. Vonesch, Esq.
H. C. Whitehouse, Esq.

Docks and Railways Sub-Committee.

H. P. Ball, Esq.
E. Donovan, Esq.
D. Harrington, Esq.
R. C. Lowndes, Esq.
J. H. F. Raper, Esq.
G. S. Taunton, Esq.

Agriculture Sub-Committee.

Sir Joseph Kay, Kt.
G. C. R. Coleridge, Esq.
M. S. Durutti, Esq.
J. C. Reed, Esq.
R. D. Warren Smith, Esq.
J. Vonesch, Esq.

Labour Sub-Committee.

H. F. Hobbs, Esq., D.S.O., M.C.
A. K. G. Hogg, Esq.
R. Mather, Esq.
H. F. Milne, Esq.
Col. W. B. Roberts.
F. Stones, Esq., O.B.E.

Income-Tax Sub-Committee.

Sir Hugh Cocke, Kt.
Leslie Blunt, Esq.
E. C. Reid, Esq.

Electricity Sub-Committee.

R. C. Giles, Esq.
E. J. C. Herring, Esq.
H. G. Sale, Esq.
A. S. Trollip, Esq.

Mr. J. C. LANCASHIRE obtained six months' leave of absence from the Import Sub-Committee in April 1933 and Mr. F. WHITEHEAD was nominated to serve during his absence. Mr. W. A. BELL resigned his seat in July 1933 and Mr. J. N. KERR was nominated to serve in his stead.

Mr. H. P. BALL obtained six months' leave of absence from the Docks and Railways Sub-Committee in May 1933 and Mr. G. MOORE was nominated to serve during his absence. Mr. R. C. LOWNDES resigned his seat in October 1933 and Mr. E. TREVOR ROBINSON was nominated to serve in his stead. Mr. J. C. REED resigned his seat on the Agriculture Sub-Committee in December 1933 on leaving Bombay.

Col. W. B. ROBERTS obtained six months' leave of absence from the Labour Sub-Committee in May 1933 and Mr. W. E. C. MALLAM was nominated to serve during his absence. Mr. R. Mather resigned his seat in September 1933 and Mr. D. D. CARCARY was nominated to serve in his stead. Mr. H. F. HOBBS obtained five months' leave of absence in

October 1933 and Mr. G. F. KENNEDY was nominated to serve during his absence. Mr. F. STONES also obtained four months' leave of absence in July 1933.

MEMBERSHIP OF THE CHAMBER.

The total membership of the Chamber on the 31st December 1933 was 181 against 174 at the end of 1932. The following are the names of members elected during the year under report :—

Messrs. F. M. Chinoy & Co., Ltd. Proposed by Burmah-Shell Oil Storage and Distributing Co., of India, Ltd., and seconded by Messrs. Forbes, Forbes, Campbell & Co. Ltd.

Messrs. Mant and Critchley. Proposed by Messrs. Wallace & Co., and seconded by the Chartered Bank of India, Australia & China.

Messrs. Hardcastle Waud & Co., Ltd. Proposed by Messrs. Wallace & Co., and seconded by Messrs. Grindlay & Co. Ltd.

The National Petroleum Co. Proposed by Messrs. Crawford Bayley & Co., and seconded by the Comptoir National d'Escompte de Paris.

Messrs. Schering-Kahlbaum (India), Ltd. Proposed by Lloyds Bank Limited, and seconded by Messrs. Havero Trading Co. Ltd.

The Motor Manufacturers' and Importers' Association, Ltd. Proposed by Messrs. F. M. Chinoy & Co. Ltd., and seconded by the Chartered Bank of India, Australia and China.

The Western India Oil Distributing Co. Ltd. Proposed by Messrs. Ericson & Richards, and seconded by Messrs. W. Billinton & Co.

Messrs. H. J. Foster & Co. Ltd. Proposed by the Mercantile Bank of India, Ltd., and seconded by Messrs. Crawford Bayley & Co.

Messrs. W. M. Marshall & Co. Ltd. Proposed by Lloyds Bank Limited, and seconded by Messrs. Mackinnon Mackenzie & Co.

Messrs. D. D. Patel & Co. Proposed by Messrs. E. D. Sassoon & Co. Ltd., and seconded by Messrs. W. H. Brady & Co. Ltd.

Mr. G. A. H. Alexander. Proposed by Messrs. Wallace & Co., and seconded by Messrs. W. H. Brady & Co., Ltd.

Messrs. Morris Industries (India) Ltd. Proposed by the Dunlop Rubber Co., (India) Ltd., and seconded by Messrs. A. F. Ferguson & Co.

The following resigned their membership of the Chamber :—

Messrs. Joseph Travers & Sons, Ltd.
Messrs. G. Griffiths & Co.
Messrs. W. M. Marshall & Co.
Messrs. Bettmann & Kupfer.
Messrs. John Fleming & Co. Ltd.

THE CHAMBER'S OFFICES.

The Committee have arranged to take over new offices on the 3rd floor of Messrs. Mackinnon Mackenzie & Co.'s building, Ballard Estate. It is expected that the premises at present occupied by the Chamber in Graham's Buildings,

Parsi Bazar Street, will be vacated during the last week in February 1934 and the next annual general meeting of members will be held in the new offices.

THE CHAMBER'S PROVIDENT FUND.

(*See Report* 1920, *Vol. I, page* 10.)

The question of the depreciation in value of the investments of the Chamber's Provident Fund came under consideration in 1920, and the Committee agreed to accept as a contingent liability of the Chamber any depreciation in the market values of the securities belonging to the Fund, and in the meantime to build up a Sinking Fund for the purpose primarily of covering the liability.

In 1933 the question was again under the consideration of the Committee, who were of opinion that such an undertaking was contrary to rule 34 of the Provident Fund Rules, which laid down that any loss to the Fund, from any cause whatever, should be borne by the Fund. The Committee accordingly decided that the undertaking given in 1920 must be withdrawn.

In order to give the members of the Fund some voice in the selection and regulation of investments on behalf of the Fund, it was decided to appoint under Rule 5 four Trustees in future instead of two. These would consist of :—

(1) The President of the Chamber for the time being.

(2) The Vice-President of the Chamber for the time being.

(3) The representative on the Committee of the Exchange Banks, if any.

(4) A member of the Fund.

TONNAGE SCALE.

Oil Cake.

A representation was received in May 1933 from a shipper of oil cake that as freight was charged on the gross weight the tonnage scale should be based on gross weight and not on net weight.

From enquiries made, however, the Committee ascertained that freight on oil cakes was payable, as in the case of oilseeds, on net weight delivered and that even when the freight was prepaid it was in every case subject to adjustment on the basis of net weight delivered. Under the circumstances the Committee saw no reason why the basis of the tonnage scale for oil cake should be different to that of other commodities. The shipper was informed accordingly.

FAREWELL ADDRESS TO HIS EXCELLENCY SIR FREDERICK SYKES.

The Committee of the Chamber on behalf of the members presented a farewell address to His Excellency the Right Honourable Sir Frederick Sykes, P.C., G.C.I.E., G.B.E., K.C.B., C.M.G., Governor of Bombay at Government House, Malabar Point, on Wednesday, 6th December 1933, at 11-30 a.m. The full texts of the address and of His Excellency's reply will be found in the Appendices.

ADDRESS OF WELCOME TO HIS EXCELLENCY LORD BRABOURNE.

The Committee of the Chamber on behalf of the members presented an address of welcome to His Excellency the Right Honourable Lord Brabourne, G.C.I.E., M.C., Governor of

Bombay, at Government House, Malabar Point, on Monday, 11th December 1933, at 5-30 p.m. The full texts of the address and of His Excellency's reply will be found in the Appendices.

VISIT TO THE CHAMBER OF SIR THOMAS RYAN.

Sir Thomas Ryan, Director-General of Posts and Telegraphs, accompanied by Mr. G. V. Bewoor, Postmaster-General, Bombay, visited the Chamber on the 1st November 1933 and informally discussed the following questions with the Committee :—

(1) Air Mail charges on commercial documents and samples.
(2) Air Mail timings.
(3) Five-letter codes and cable charges.
(4) Daily letter telegrams.
(5) V. P. P. and Money Order Remittances.
(6) Trunk Telephone Lines.

VISIT TO THE CHAMBER OF MR. P. R. RAU.

Mr. P. R. Rau, Financial Commissioner of Railways, visited the Chamber on the 3rd May 1933 and had an informal discussion with the Committee on the following subjects :—

1. The proposed Statutory Railway Board.
2. Railway Receipts as Negotiable Instruments.
3. Railway Risk Note, Form A.
4. Railway Capital Expenditure.

VISIT TO BOMBAY OF MR. B. D. ASLI.

Mr. B. D. Asli, the Indian Publicity Officer attached to the office of the High Commissioner for India, was deputed to India to visit some of the more important centres of trade and industry in this country with the object of enabling him to make himself more closely acquainted with the latest

developments in trade, industrial and business conditions in India and to discuss with manufacturers and exporters the best methods of trade publicity for Indian products through the medium of the office of the Indian Trade Commissioner, London.

Members interested were invited to meet Mr. Asli for an informal discussion in the rooms of the Chamber on the 30th November 1933.

VISITS TO THE CHAMBER OF SIR EDWARD BENTHALL.

The Committee on the 2nd January 1933 sent a telegram to Sir Edward Benthall, President of the Bengal Chamber and of the Associated Chambers of Commerce of India, congratulating him on the honour of knighthood conferred on him.

Sir Edward Benthall visited the Chamber on the 28th April 1933 on his way to England to give evidence on behalf of the Associated Chambers before the Joint Parliamentary Committee and had an informal discussion with the Committee in connection with the proposals for Indian Constitutional Reform as contained in the White Paper issued by His Majesty's Government. Sir Edward Benthall explained the provisional views held by the Associated Chambers in regard to the proposals.

The Committee had a further informal discussion with Sir Edward Benthall on the 15th October 1933 on his return to India.

ASSOCIATED CHAMBERS OF COMMERCE OF INDIA.

Annual General Meeting, 1934.

The annual general meeting of the Associated Chambers of Commerce of India was held at Calcutta on the 8th and

9th January, 1934. The proceedings were opened by His Excellency The Earl of Willingdon, P.C., G.C.S.I., G.C.I.E., C.M.G., C.B.E., Viceroy and Governor-General of India. This Chamber was represented by Mr. G. L. Winterbotham, Mr. T. E. Cunningham and Sir Leslie Hudson, KT., M.L.A.

The following is a list of subjects in connection with which resolutions were adopted unanimously by the meeting—

1. Carriage of mails by air in India.
2. Air mail charges.
3. Postal Insurance Fees.
4. Sea Customs Act—Infringement of designs.
5. Hire purchase or conditional sales agreements.
6. Railway Risk Notes.
7. Letters Patent of the High Courts of Judicature at Bombay, Calcutta, Madras and Rangoon.
8. Food adulteration.
9. The burden of taxation.
10. Income-tax—the 25 per cent. surcharge.
11. Carrying forward of business losses.
12. Levy of taxes on professions or trade by local bodies.
13. The 15 per cent. surcharge on coal freights.

The following resolutions were carried by a majority :—

14. Import duty on sugar—25 per cent. surcharge.
15. The export duty on hides and skins.

The following resolutions were withdrawn after discussion :—

16 Import duty on Aden salt.

17. Import duty on foreign raw cotton.

Of the above, resolutions Nos. 2, 4, 6, 7 and 17 were moved by the Bombay Chamber.

CHAMBER'S PUBLICATIONS.

Statistics of Cotton Exports.

Commencing with the figures for the month of June 1933 this Chamber has issued a monthly return of the exports of cotton from Bombay showing the names of exporters and the quantity exported to each country, with comparative figures for the previous year. The return is available to members at Rs. 2 per copy per mensem and to non-members at Rs. 3 per copy.

CHAMBER'S STATISTICAL RETURNS.

With effect from 1st January 1934, the Committee decided, in cases where members already subscribed at the concessional rate for a complete set of the statistical returns, to make the charge for additional copies of any such returns *pro rata* to the amount levied in the concessional rate instead of at the full rate as had hitherto been done.

THE CHAMBER'S "BOOK OF DECISIONS."

(*See Report* 1932, *page xlvi.*)

The revised edition of the Chamber's Book of Decisions on Shipping and Mercantile matters, to which the President referred in his speech at the annual general meeting on the 15th March 1933, was issued in June 1933. This edition (the fifth) covers a period of fifty years, 1882-1932. In compiling this edition the Committee directed their attention to selecting from the numerous references on the Chamber's files those which they considered to be of most general interest. For the same reason, and also because they appeared to be out of date owing to changes in trade, custom and practice, certain decisions which were printed in earlier editions were omitted from the present edition.

ANNUAL STATEMENT OF THE SEA-BORNE TRADE AND NAVIGATION OF BRITISH INDIA.

(*See Report* 1932, *page* 169.)

The Director-General of Commercial Intelligence and Statistics informed the Chamber in June 1933 that in view of the high cost of preparing the provincial volumes of the Annual Statements of Sea-borne Trade and Navigation the Government of India had decided that the printing and publication of the volumes for Bengal, Bombay, Sind and Madras should be discontinued with effect from 1931-32. It was decided, however, to continue to compile the figures in manuscript for a period of two years so as to enable the local Governments or the various commercial bodies to obtain any particular information desired by them from the Custom House. Arrangements were also made for the Chambers of Commerce and other private bodies to obtain statistical information on specific application to the Custom House concerned subject to payment of reasonable charges.

It was also decided to continue the publication of the Annual Statement for Burma as usual.

In expressing the Committee's satisfaction with the arrangements that had been made for the Chambers of Commerce and other private bodies to obtain statistical information from the Custom House the Committee drew the attention of the Director General to the delay that usually occurred in the publication of the all-India Annual Statements and expressed a hope that it might be found possible to expedite their publication in future. The Committee also asked that the publication of the monthly statistics of the trade of Kathiawar ports might be expedited.

REPORTS ON THE WORKING OF THE INDIAN COMPANIES ACT.

The Government of Bombay informed the Chamber in November 1933 that in view of the existing financial stringency and the need for economy in expenditure, the question of discontinuing the publication of the Provincial Administration Reports on the working of the Indian Companies Act, 1913, by local Governments in their capacity as Agents of the Government of India was under consideration. It had been suggested that the publication of the reports could be dispensed with if the returns of Joint Stock Companies compiled by the Director-General of Commercial Intelligence and Statistics from the information furnished to him, and published every month, were expanded so as to include the necessary information contained in the statements published in the annual provincial reports. The Director-General of Commercial Intelligence had drawn up revised forms of statements to be included in his monthly publication and copies were forwarded to the Chamber. Government asked for the views of the Chamber with regard to the proposal to discontinue the provincial reports and the suitability or otherwise of the proposed revised forms. Government added that the introduction of the revised procedure would not affect in any way the Societies registered under the Societies Registration Act, 1860, a list of which would be kept up to date in the Office of the Registrar of Joint Stock Companies as heretofore.

The Committee informed Government that they had no objection to the proposed discontinuance of the provincial administration report on the working of the Indian Companies Act, 1913, nor to the revised forms of statements suggested by the Director-General of Commercial Intelligence and Statistics for inclusion in his monthly publication.

NEW ISSUES OF FIVE AND TEN RUPEE NOTES.

The Government of India during the year put into circulation new pattern notes of Rs. 5 and Rs. 10 denominations in which extensive alterations were made in several directions, viz., in the size of the note, in the thickness of the paper and in the design of the printing.

In August 1933 the Associated Chambers of Commerce of India forwarded to this Chamber a copy of a letter that had been received from the Upper India Chamber in which the latter complained of the quality and size of the new issue of five and ten rupee notes, and urged their withdrawal and the re-introduction of the notes which had been superseded. After consulting the Finance Sub-Committee the Committee informed the Associated Chambers that they had not much experience of these notes as there were not many in circulation in this Presidency but they had seen specimens of the notes and considered that the paper of which they were made was too flimsy for the use to which the notes would be put. The Committee suggested that if these notes were replaced by another issue the ten rupee note might be made larger than the five rupee note.

CURRENCY NOTE REFUND RULES.

(*See Reports*, 1925, *Vol. I, page* 29 ; 1926, *Vol. I, page* 43 ; 1927, *Vol. I, page* 20 ; 1930, *Vol. I, page* 16 ; 1931, *Vol. I, page* 27 ; 1932, *page* 21.)

As was noted in the Chamber's Report for 1932, the following resolution, on the motion of the Madras Chamber, was adopted unanimously at the annual general meeting of the Associated Chambers of Commerce of India held at Calcutta on the 9th and 10th January 1933 :—

"In view of the difficulties which arise in connection with rule 6-A of the Currency Notes (Refund) Rules, this Association is of opinion

that the present Rs. 100 note should be re-designed so as to admit of its being cut into two portions with less risk of the cut passing through one or other of the serial letters or numbers."

The terms of the resolution together with a report of the debate which preceded its adoption, were duly forwarded for consideration to the Government of India who in reply stated that they did not wish to do anything which might encourage continuance of the practice of remittance by cutting of currency notes and they therefore did not propose to alter the design of the 100 Rupee note in the manner suggested by the Associated Chambers.

The Committee in replying to the Associated Chambers stated that they sympathised with Government's desire to do away with the antiquated method of remittance by the despatch of half currency notes, but they felt that so long as the cutting of notes was not illegal there was clearly an obligation on the part of Government to redeem their promise to pay provided a responsible currency officer could satisfy himself beyond reasonable doubt that the two pieces were parts of one note, otherwise there was always the possibility of injustice being done.

For this reason the Committee suggested that the Associated Chambers might request the Government of India to issue instructions that the senior currency officer at each office of issue might use his discretion in dealing with cut currency notes belonging to his particular circle.

In replying to a further reference on the subject in December 1933 the Committee informed the Associated Chambers that while reiterating the views previously expressed by them they desired to support a suggestion of the Northern India Chamber that Government might be urged to increase remittance facilities by (1) extending the insurance

limit of individual postal packets ; and (2) decreasing money order fees for large amounts.

RESERVE BANK OF INDIA.

(*See Reports* 1927, *Vol. I, page* 27 ; 1928, *Vol. I, page* 24.)

A Bill was introduced into the Indian Legislative Assembly on the 8th September 1933 which had for its object the setting up of a Reserve Bank of India. In the statement of objects and reasons attached to the Bill it was mentioned that the Federal Structure Sub-Committee of the First Round Table Conference recommended that "with a view to ensuring confidence in the management of Indian credit and currency.....efforts should be made to establish on sure foundations and free from any political influence, as early as might be found possible, a Reserve Bank which would be entrusted with the management of the currency and exchange." The Financial Safeguards Committee of the Third Round Table Conference recommended "that steps should be taken to introduce into the Indian Legislature a Reserve Bank Bill conceived on the above lines as soon as possible." In the report of that Committee it was also placed on record that "the Secretary of State undertook that representative Indian opinion would be consulted in the preparation of proposals for the establishment of the Reserve Bank including those relating to the reserves." A representative Committee was set up in order to give effect to that undertaking and the Bill was drafted in accordance with the recommendations of that Committee.

At the same time a Bill was also introduced in the Legislative Assembly for the purposes of amending further the Imperial Bank of India Act, 1920. In the statement of objects and reasons attached to this Bill it was mentioned

that it had been recognised, since the plan of setting up a Reserve Bank of India was first considered, that, with the transfer to a Reserve Bank of the purely central banking functions which were at the moment performed by the Imperial Bank of India, the latter should be freed from some of the restrictions which were imposed upon it. Accordingly when the Reserve Bank of India Bill of 1927 was introduced on January 14th, 1927, there was also simultaneously introduced an Imperial Bank of India Act (1920) Amendment Bill which was designed to remove some of those restrictions and to modify the control of Government over the operation of the Bank. It was considered expedient that the same practice should now be followed.

The Committee of the Chamber considered the provisions of both the above Bills in consultation with the Finance Sub-Committee and in October 1933 addressed a letter to SIR LESLIE HUDSON, KT., M.L.A., the Leader of the European Group in the Assembly and a member of the Select Committee, expressing their views. Copies of this letter and of the Bills as finally passed are printed in full in the Appendices to this Report.

THE RUPEE RATIO.

During the months of September and October 1933 when the Reserve Bank Bill was under consideration by the Legislative Assembly persistent rumours circulated with reference to Government's intentions in regard to the alteration of the Rupee Ratio. The Finance Member and the Finance Secretary made it clear on more than one occasion in their speeches on the Bill that there was not the slightest intention on the part of Government to take up the question of the alteration of the Ratio until currencies and money

positions the world over had been stabilised. Clauses 40 and 41 of the Reserve Bank Bill defined the Bank's obligation to sell and buy sterling on the basis of 1s. 6d. ratio. The Select Committee which examined the Bill accepted the provisions of these clauses read together with the preamble of which the following is an extract:—

"And Whereas in the present disorganisation of the monetary system of the world it is not possible to determine what will be suitable as a permanent basis for the Indian monetary system;

"But Whereas it is expedient to make temporary provision on the basis of the existing monetary system, and to leave the question of the monetary standard best suited to India to be considered when the international monetary position has become sufficiently clear and stable to make it possible to frame permanent measures."

In moving the consideration of the Reserve Bank Bill in the Legislative Assembly on the 27th November 1933 the Finance Member again made it clear that Government did not regard the ratio as arising in this measure and that on the ratio question they would neither give way nor compromise. On the same day in the House of Commons in answering a question on a proposal to devalue the rupee the Secretary of State stated that Government's policy was in no way altered.

INTERNATIONAL CONGRESS OF EXCHANGE.

The Chamber was informed in January 1933 by the French Trade Commissioner in India, Burma & Ceylon, that the first International Congress of Exchange was being organised by the Union Francaise des Industries Exportatrices and would take place in Paris towards the end of February 1933. With the object of relieving the existing economic distress it was expected that the Congress would elicit opinions on the proper means to realise:—(*a*) the

suppression of the quota system of imports existing in many countries; (*b*) the lowering of Customs barriers.

The Chamber was invited to send delegates.

The Committee informed the French Trade Commissioner that they regretted that they had no delegate available to attend the Congress on this occasion.

INDIAN CONSTITUTIONAL REFORMS.

Joint Parliamentary Committee.

(*See Reports* 1928, *Vol. I, page* 21; 1929, *Vol. I, page* 72; 1930, *Vol. I, page* 46; 1931, *Vol. I, page* 88; 1932, *page* 29.)

In December 1931 both Houses of Parliament adopted a motion expressing approval of the Indian policy of His Majesty's Government, as announced to the Indian Round Table Conference. That policy, stated in the broadest terms, involved the prosecution of further enquiries and discussions with the object of finding a suitable basis for the conversion of the present system of government in India into a responsibly governed Federation of States and Provinces, on the understanding that the responsible Government so established must, during a period of transition, be qualified by limitations in certain directions. These limitations commonly described by the compendious term "safeguards" were framed in the common interests of India and the United Kingdom.

Having pursued their further enquiries and discussions, including a third session of the Round Table Conference, His Majesty's Government in a White Paper issued in March 1933 indicated with greater precision and in fuller detail their proposals for an Indian Constitution, and invited both Houses of Parliament to set up a Joint Select Committee to consider

these proposals in consultation with Indian representatives, and to report upon them. After this report has been laid it will be the duty of His Majesty's Government to introduce a Bill embodying their own final plans.

Sir Hubert Carr who represented the European Community at the three sessions of the Round Table Conference was nominated as one of the British Indian Delegation, and the following witnesses appeared before the Joint Select Committee on the 7th and 13th July 1933 to give oral evidence on behalf of the Associated Chambers of Commerce of India :—

Sir Edward Benthall, President, Associated Chambers of Commerce of India and Bengal Chamber of Commerce, 1932-33.

Mr. A. L. Carnegie, President, Upper India Chamber of Commerce, Cawnpore, 1932-33.

Sir Thomas Catto, Bart., Messrs. Yule, Catto & Co. Ltd., London, and Messrs. Andrew Yule & Co. Ltd., Calcutta.

Mr. G. L. Winterbotham, President, Associated Chambers of Commerce and Bombay Chamber of Commerce, 1929.

The Chamber was in constant touch with the Associated Chambers, Sir Hubert Carr and the above-named witnesses throughout the year. Memoranda on the following subjects were drawn up by the Bengal Chamber and were circulated to constituent Chambers for their criticism. These memoranda were forwarded to the Associated Chamber's witnesses to form the basis on which the witnesses prepared their own memorandum which was submitted to the Joint Select Committee on the 5th July 1933 :—

(1) Commercial Safeguards ; (2) Financial Safeguards ; (3) Federal Finance ; (4) Division of Legislative Subjects ;

(5) Reserve Bank; (6) Commercial Representation; and (7) Statutory Railway Board.

Obviously it is impossible to deal adequately in this report with the various points touched on in the above memoranda or in this Chamber's comments thereon. Nor is it possible to summarise the Memorandum submitted by the Associated Chambers' witnesses to the Joint Select Committee. These papers are on record in the Chamber's offices and are open to inspection by members interested.

INDIAN CONSTITUTIONAL REFORMS.

Second Legislative Chamber for Bombay Presidency.

In May 1933, the Committee addressed the Government of Bombay urging the importance of providing, in the new Constitution for India, for a second Legislative Chamber for the Bombay Presidency.

The Committee mentioned that the views of this Chamber on the question had previously been put forward in other quarters, though the Government of Bombay had not hitherto been directly addressed. In a memorandum submitted by the Associated Chambers of Commerce to the Indian Statutory Commission of 1928, expression was given to those views as follows :—

"The grant of full responsibility to the Legislature will enable the powers of certification of the Governor to be abolished. These have been inevitable so long as he had a special responsibility to discharge to the Secretary of State and ultimately to the Parliament. But when once the responsibility rests upon the Council they will no longer be required. If, however, the proposal to retain control of law and order by the Governor is adopted, the power of certification of supply for this Department will be necessary.

Second Chambers.

"It appears, however, necessary that if this very sweeping reform is to be carried out a second Chamber should be created. The Chambers do not feel called upon to make any detailed recommendation as to the exact powers or composition of this second Chamber. They would, however, point out that many Indians whose judgment, experience and social position, would make them valuable members of the Legislature, will never solicit votes on the hustings for election to a popular house.

"Such men would, however, be willing to serve in an Upper House if it were composed largely of nominated members holding office for five years or more and eligible for re-nomination. Of these about two-thirds might be elected by the Council of State electorate and one-third nominated by the Governor. European representation should be provided for in both cases. This cannot be regarded in any sense as a reactionary proposal, for the members of the Senate in Canada and of some of the Provincial Upper Houses in Australia are nominated."

After the appearance of the Statutory Commission's report, the Committee of this Chamber recorded the following criticism :—

"We observe that no recommendation is made by the Commission in regard to the establishment of second Chambers, but we definitely think that the Chamber should adhere to the recommendation made by the Associated Chambers to the Commission in favour of second Chambers in the Provinces. In fact we are inclined to the view that second Chambers, elected by special constituencies likely to return the best men in public life, would act as a very real safeguard against improper legislation of any kind and might in practice remove from the Governor the odium of being forced to use the special overriding powers recommended for him by the Commission. These overriding powers are, we feel, likely to be a stumbling block in the way of acceptance by Indian interests of the Commission's proposals with regard to the Provincial Legislatures and we think that it might be possible, given second Chambers such as we have suggested, to modify these powers to some extent, more particularly in the direction of withholding from the Governor the power of certifying votable grants thrown out by the Legislature."

Again, in commenting on the report of the Indian Franchise Committee, this Chamber stated :—

"The Franchise Committee content themselves with stating the case for and against second Chambers in the Provinces. We take this for re stating the considered view of the Chamber that a small second opportunity Chamber in Bombay is a *sine qua non* of Provincial Autonomy."

The proposals of His Majesty's Government for Indian Constitutional Reforms, recently published in the form of a White Paper, contemplated the setting up of bi-cameral legislatures in three Provinces only—Bengal, the United Provinces and Behar. Each of the other provinces was to have a single Chamber. No reason of any kind was suggested for this differential treatment.

The Committee had no knowledge of the attitude hitherto adopted on this question by the Government of Bombay but they suggested that the weight of Government's opinion, should be lent to the views of those who considered the provision of a second Chamber a most important contribution towards stability and good government under the proposed reforms.

Paragraph 47 of the Introduction to the White Paper specifically laid down that "special responsibility for the financial stability of the Provinces will not be imposed on the Governors." This intention was given effect in the proposals, where distinction was drawn in this respect between the Governor General and Provincial Governors. Among the responsibilities of the Governor General detailed under Proposal 18 was :—

"(*b*) Safeguarding the financial stability and credit of the Federation.

No such provision was included in the special responsibilities of the Governor named in Proposal 70.

Moreover, as was necessary for the discharge of his responsibility, the Governor General was empowered to appoint a Financial Adviser to assist him. The Governor was provided with no such assistance. This no doubt accorded with his intended constitutional position, but it seemed to the Committee clear that some alternative additional safeguard should be provided in the Provinces against unsound financial courses on the part of the proposed Legislative Assembly.

The Committee were most strongly of opinion that such a safeguard would be provided by the more stable element of which a small Upper House would be composed, and they urged the Government of Bombay, in the interests of succeeding Governments, to press this view with all their authority upon the Government of India, and through them on His Majesty's Government.

In acknowledging receipt of the Committee's letter the Government of Bombay stated that it had been forwarded to the Reforms Commissioner, Government of India. The Government of Bombay added that they had already expressed themselves in favour of having a second Chamber for this Presidency in the reformed constitution.

INDIAN INCOME-TAX ACT, 1922, SECTION 10 (2) (IX).

EXPENSES IN CONNECTION WITH ASSESSMENT.

In April 1933 the Associated Chambers of Commerce of India asked for the views of this Chamber on a reference from the Tuticorin Chamber in which the latter drew attention to the law governing allowances which were admissible in computing income-tax returns. The Chamber pointed out that with income-tax law and practice becoming yearly

more and more complicated the businessman was practically forced to have recourse to expert advice, and in many instances incurred heavy expenses in employing accountants and lawyers in connection with disputes with Government in arriving at the income on which the assessment of income-tax had, or should have been made.

It had been held, however, that the assessee was not entitled to deduct such charges, which were not expended for the sole purpose of earning profits within the meaning of Section 10 (2) (ix) of the Act, although it was submitted that the expenditure if not incurred in earning the profits, had to be met to protect the profits, and in equity should be charged to revenue for tax purposes.

The Tuticorin Chamber suggested that Government might be approached with a view to amending Section 10 (2) (ix) of the Indian Income-tax Act to read as follows :—

" Any expenditure (not being in the nature of capital expenditure) incurred solely for the purpose of earning such profits or gains, or actually incurred in connection with income-tax cases."

The Committee of this Chamber after consulting the Income-tax Sub-Committee stated that they considered that the practice laid down in the last two paragraphs of Clause 49 of the Notes and Instructions on pages 189 and 190 of the Income-tax Manual was reasonable and that expenses in fighting appeals should not be allowed as a right. It had been pointed out to the Committee, however, that it was considered a grievance that expenses incurred in an appeal to the Assistant Commissioner or even in subsequent proceedings should not be allowed where the appeal or subsequent proceedings proved the assessee to be in the right, but the Committee felt that the question was not of sufficient importance to warrant a reference to the Government of India.

The last two paragraphs of Clause 49 of the Notes and Instructions in the Income-tax Manual read as follows :—

"Strictly speaking, the cost of audits and similar operations conducted specially for income-tax purposes, whether in connection with assessments, with appeals, or with revision petitions, cannot be allowed as a deduction from taxable profits [Ruling of the Madras High Court in Secretary, Board of Revenue (Income-tax), Madras, *versus* D. Munisami Chetty & Sons. I. Srinivasan's Tax Cases, page 227]."

"The reason for this is, of course, that whereas an audit or similar operation conducted in the ordinary course of business is properly treated as a "business expense," it is clear that one conducted purely in connection with Income-tax proceedings cannot be said to be incurred solely for the purpose of earning the profits or gains subject to income-tax. [Section 10 (2) (*ix*)]. Since, however, there may be difficulty in individual cases in determining whether an audit or similar operation has been conducted wholly or partly for business purposes and, in the latter case, what portion of the expenditure incurred in connection with it can properly be treated as a "business expense," it has been decided that audit or other accountancy services in connection with an assessee's accounts for the previous year rendered before his return of income is made, if such a return is made on the due date, or within any extended period allowed by the Income-tax Officer for its submission, should be treated as work done for ordinary business purposes and therefore the expenditure incurred thereon should be regarded as an admissible deduction in computing taxable income."

The Associated Chambers of Commerce of India addressed the Central Board of Revenue on the 28th August 1933, and suggested that the expenses incurred by an assessee in an appeal to the Assistant Commissioner or even in subsequent proceedings should be allowed as a charge against profits where the appeal or subsequent proceedings proved the assessee to be in the right.

The Central Board of Revenue in reply stated that it held that the cost of an ordinary audit of the accounts of a

firm or company was expenditure covered by section 10 (2) (*ix*) of the Indian Income-tax Act, 1922, being incurred for the purpose of earning the profits or gains. The arrangement described on the concluding sentence of paragraph 49 of the Notes and Instructions on the Income-tax Manual, Fifth Edition, must be regarded as a concession not to any notion of equity but to the convenience of the Department since it would be very difficult, and sometimes impossible, to divide up expenditure on audit before the assessment is made between that incurred for the ordinary purposes of the business and that incurred for income-tax purposes. For this reason, it was legitimate to issue executive instructions of the kind described in the passage quoted. It would, however, be clearly contrary to the law to amplify these executive instructions in the manner suggested by the Associated Chambers unless the law was amended, because expenses incurred in connection with appeals or other proceedings regarding disputed assessments certainly could not be described as incurred solely for the purpose of earning the profits or gains of the concern. It would only be possible to give effect to the desire of the Association by legislation. The Central Board of Revenue added that it had under consideration the question whether it could recommend that legislation should be proposed for the purpose.

In forwarding to the Chamber a copy of the above reply from the Central Board of Revenue the Associated Chambers enquired whether the Chamber had any comments to make in regard thereto.

The Committee in reply stated that they had no further comments to make pending the result of Government's consideration of the possibility of legislating with a view to meeting the point raised by the Association.

The Associated Chambers of Commerce of India subsequently forwarded to the Chamber a copy of a letter that had been received from the Central Board of Revenue intimating that the question whether legislation should be undertaken in order to give effect to the wishes of the Association had been referred to and considered by the Government of India. They had ascertained that the inland revenue authorities in the United Kingdom refused to allow as a deduction from income or profits the amount of accountancy or legal charges incurred directly in connection with appeals against income-tax assessments, whether to the Appeal Commissioners or to the Courts and whatever the result of the appeal (c.f. Allen v. Farquharson, Annotated Tax Cases XI, 259); and they had decided that it was not desirable that a different practice should be adopted in this country.

INDIAN INCOME-TAX ACT, 1922, SECTION 11.

Professional Earnings.

In September 1933 the Associated Chambers of Commerce of India asked for the views of this Chamber on a suggestion put forward by the Bengal Chamber that section 11 of the Indian Income-tax Act might be amended in order to permit of expenses incurred in arriving at correct assessment being allowed as a charge against professional earnings.

The Committee in reply stated that, while adhering to the views expressed by them in regard to section 10 (2) (*ix*), (see previous item), they were of opinion that if the cost of expert advice on assessment was to be allowed to the business man, it should be allowed to the professional man also.

INCOME-TAX.

APPEALS AGAINST ASSESSMENT.

(*See Reports* 1929, *Vol. I, page* 28; 1930, *Vol. I, page* 31; 1932, *page* 68.)

A reference was made in the Chamber's Report for 1932, to a private Bill that had been introduced in the Legislative Assembly with the object of removing certain defects in the method of assessment to income-tax and bringing the assessors under some popular and judicial control. In the course of the discussion in the Legislative Assembly the Finance Member stated that Government were prepared to give sympathetic consideration to a proposal that had been put forward with a view to the setting up of tribunals which would form ultimate tribunals of appeal.

The Government of Bombay in July 1933 asked for the views of the Chamber in the following specimen scheme submitted by the Government of India for the institution of such tribunals :—

1. The present provisions in the Income Tax Act (XI of 1922) as regards assessments, appeals to Assistant Commissioners and Commissioners and revision of assessments by Commissioners will remain as they are.

2. Any person who is not satisfied with the final decision of the Department may appeal to the Tribunal of Appeal on questions of fact as well as law. The appeal will be submitted through the Commissioner of Income-Tax and will be accompanied by the prescribed fee.

3. The Tribunal of Appeal will be a highly competent body of experts in the interpretation of general law and the highly technical subject of Income-tax. It will be an entirely independent body consisting of three Referees subordinate neither to Government nor to High Courts nor to anyone else.

4. To secure the above end, of the three Referees, two will be selected from amongst persons who have worked as Judges of any of the High Courts of Judicature in India and one will be selected from

persons who have worked as Commissioners of Income-tax for not less than three years.

5. The pay of the two Referees selected from High Court Judges will be kept sufficiently high to make it attractive for them to sever their connection with the High Court and serve permanently on the Tribunal.

6. The rules for the appointment, removal, retirement, leave, etc., in the case of these Referees will be, as far as possible, on the lines of the rules applicable to High Court Judges.

7. References on questions of law under Section 66 of the Act which at present lie to the High Court will, on the formation of the Tribunals, lie to them and the High Courts will be relieved of this extra work which at times takes a considerable part of their valuable time.

8. The Tribunal will adjudicate both on questions of law as well as fact. Its decision as regards questions of fact will be final. As regards questions of law decided on a reference under Section 66 of the Income-Tax Act, an appeal will lie to the Privy Council as at present.

9. As regards the procedure to be followed in the matter of hearing income-tax appeals, the Tribunals will frame their own rules.

10. It is thought probable that two such Tribunals will suffice for the whole of India.

After consulting the Income-tax Sub-Committee the Committee informed the Government of Bombay that they would welcome a workable alternative to the present inequitable system whereby short of a reference to the High Court on a question of law appeal could only be made to officials of the Income-tax Department.

The Committee were of opinion that the specimen scheme submitted by the Government of India, with some possible modifications, might contain such an alternative. One modification suggested to the Committee was the retention of the right of appeal to the High Court on points of law,

though on the other hand it was recognised that the proposed personnel of the Tribunal would invest it with much of the authority of a High Court Bench.

The Committee considered that the Tribunal would be greatly strengthened by the addition of a qualified accountant.

It would appear that the institution of only two Tribunals for the whole of India might not be sufficient. On the other hand, the cost of having one for each Province would possibly be out of all proportion to the number of references likely to arise. It was assumed therefore that the number of Tribunals to be set up would be capable of expansion in the light of actual experience of the volume of appeals.

INDIAN INCOME-TAX (SECOND AMENDMENT) ACT, 1933.

(*See Report* 1932, *page* 66.)

In February 1933 the Associated Chambers of Commerce of India asked for the views of the Chamber on a recommendation of the Madras Chamber that clause 24 of the Indian Income-tax (Second Amendment) Bill, 1932, should be altered by the substitution for the word "salary" of the words "any income assessable under the heading salaries." The proposed clause would then read as follows:—"or by reason of his having received in any one financial year any income assessable under the heading 'Salaries' for more than twelve months." The object of the amendment was to make it clear that the provisions of clause 24 should include all items that were at the moment assessed under the heading "Salaries" as defined in section 7 of the Income-tax Act, 1922.

After consulting the Income-tax Sub-Committee the Committee informed the Associated Chambers that they approved of the amendment suggested by the Madras Chamber.

In the above connection the Burma Chamber in addressing the Associated Chambers stated that whilst agreeing with the Madras Chamber's contention that in fairness the concessions should be extended to "any income assessable under the heading 'Salaries,' it considered that attention should be given to the possibility of an individual deliberately refraining from drawing one or more months' salary at the end of a financial year, in order to avoid raising his income into the next tax rate category. The Chamber stated that it had information that this form of evasion was not uncommonly practised and it was evident that the instructions given by paragraph 101A of the Income-tax Manual did not operate to prevent this form of evasion.

Para 101 (*a*) reads as follows :—

"Relief under Section 60 (2).—In calculating relief to be granted to an assessee in respect of any year under Section 60 (2) any advantage gained by him in a previous year in which part of his salary was short paid will be taken into account."

The Burma Chamber gave as examples the following cases in which this form of evasion would be profitable; (*a*) when the assessee was going on leave shortly after the beginning of the financial year, and (*b*) when the assessee knew that he would, in the ensuing year, receive an increment of salary which would inevitably take him into the next tax rate category.

After consulting the Income-tax Sub-Committee the Committee informed the Associated Chambers that it was most desirable that the procedure laid down in paragraph

101 (*a*) of the Income-tax Manual should be carried out in practice and that the question of adopting legislation to cover the point should be considered.

Subsequently the European Group in the Legislative Assembly informed the Chamber that it was proposed after Section 20 of the Income Tax Act to insert the following :—

Supply of information regarding interest.

"20A. The person responsible for paying any interest not being 'Interest on Securities' shall, on or before the fifteenth day of June in each year, furnish to the prescribed officer a return in the prescribed form and verified in the prescribed manner of the names and addresses of all persons to whom during the previous year he has paid in respect of money interest or aggregate interest exceeding (Rs. 1,000 or Rs. 500) together with the amount paid to each such person."

There was a division of opinion in the Select Committee as to whether the prescribed amount should be a minimum of Rs. 1,000 or Rs. 500 and the final decision was left open pending a reference to the Constituencies. The Select Committee was unanimous in considering that a definite amount should appear in the clause itself.

The views of the Chamber were desired in the matter.

After consulting Banking members the Committee telegraphed to the European Group that they agreed that a definite amount should appear in Section 20A and that the prescribed amount should be a minimum of Rs. 1,000.

The Bill was eventually passed by both Houses of the Legislature (Act No. XVIII of 1933) and received the assent of the Governor-General in Council on the 11th September 1933.

In October 1933, the Central Board of Revenue issued a notification publishing a draft of certain amendments it was

proposed to make in the Indian Income-tax Rules, 1922. Draft Rule 42-A read as follows :—

"42A. A return shall be furnished by the person responsible for paying interest not being "interest on securities" in respect of amounts of interest exceeding Rs. 1,000."

INDIAN INCOME-TAX (AMENDMENT) ACT.

Foreign Incomes.

(*See Report* 1932, *page* 62.)

The Indian Income-tax Amendment Bill, to which a reference was made in the Chamber's report for 1932, was passed by the Legislative Assembly on the 11th April 1933 and by the Council of State on the 15th April 1933. The following Note on the result of discussions held between the European Group, Indian Central Legislatures, the Hon'ble Sir George Schuster and Khan Bahadur J. B. Vachha, on the 3rd and 4th April 1933 was published for the information of members in May 1933 and is reproduced here for purposes of record.

1. The Hon'ble Sir George Schuster considered the Bill to be a very important measure in the public interest, owing to the necessity of divising some means to discourage the tendency to send money abroad for investment in sterling securities, thus depreciating the value of rupee securities *vis-a-vis* sterling securities. He regarded the existing position as a glaring invitation to every individual to invest his money abroad.

2. The Select Committee had decided to make it perfectly clear in the Bill that the changes proposed were not to have retrospective effect.

3. The Bill would not affect any change in the existing law except as regards the time limit and as regards incomes from sources other than business such as foreign investments.

4. In its broad principles the Bill was sound from the point of view of the object it was desired to achieve, *i.e.* to render the foreign

income of a resident in British India liable to income-tax in British India when it is brought into British India.

5. The Bill would not affect a company or firm resident in the United Kingdom with operations in India which desired to transfer to India reserves accumulated in the United Kingdom for the purposes of its business in India, as it taxes incomes earned outside India by residents and not by non-residents. Such companies or firms being non-residents, whatever they earn outside British India will be entirely beyond the scope of the Bill.

6. A company or firm resident in British India paying British Income-tax on its foreign income would not have to pay tax twice, but would be put to the inconvenience of claiming annually for double income tax relief. It was pointed out in this connection that as per instruction in paragraph 94 on page 251 of the Income-tax Manual (5th edition), the inconvenience would be minimised here by allowing the payment of the British Indian-tax in two instalments, the second of which payable about the end of the year being equal to the probable amount of relief here. As soon as the question of U. K. relief was settled the amount of relief due here would be fixed and set off against the second instalment due, thus leaving very little to be actually paid.

7. The Bill would probably affect many bor ler-line cases of firms or companies having branches abroad which might, or might not, be controlling branches, and which desired to transfer funds from Great Britain to India. In such cases, too, whenever income liable to U. K. income-tax was concerned, in case accounts were so kept as to make it possible to infer that such income could have been transferred to India, relief from double income-tax would be due and thus no extra tax would be payble.

8. Before it could support the Bill the Group would require some form of safeguard to ensure that interests which the Bill was not intended to affect would not really be affected.

INDIAN INCOME-TAX (THIRD AMENDMENT) BILL, 1933.

In September 1933 the Associated Chambers of Commerce of India asked that the views of this Chamber might

be communicated to Mr. R. T. H. Mackenzie, M.L.A., in regard to the Indian Income-tax (Third Amendment) Bill, 1933, which was introduced in the Legislative Assembly on 22nd of August 1933. In the statement of objects and reasons attached to the Bill it was mentioned that the object of the Bill was to introduce into the permanent income-tax law two sets of provisions relating to the details of assessment which had in the recent past been the subject from time to time of *ad hoc* action, which had taken the form either of entries in the Finance Act of the year or of notifications under section 60 of the Indian Income-tax Act, 1922. The desirability of incorporating provisions of this nature in the Income-tax Act itself rather than in the various Finance Acts was strongly represented in the course of debate in the Legislative Assembly during the 1933 Budget Session. The two sets of provisions concerned related to—(*i*) the reassessment in the following year of tax deducted at source and the like; (*ii*) a summary procedure for the assessment of small incomes.

It was pointed out that income-tax was levied by deduction at source at the time of payment on incomes chargeable under the heads "Salaries" and "Interest on Securities." Such incomes were also liable to assessment in the ordinary way in the following financial year when the amount deducted at source was duly adjusted (*vide* section 18 of the Act). As a result of this, when the rates were altered, the income of the preceding year under either of these heads as well as the income for that year both became liable to the revised rates. To avoid the hardship involved in this when rates were raised, notifications had in the past been issued under section 60 of the Act applying the rates in force at the time of payment of such incomes to assessments thereof in the following year; while once the practice of giving this relief when rates were

enhanced had been established, it became logically necessary to apply the same principle to occasions when rates were reduced, thereby avoiding reassessment and the grant of refunds to all the tax-payers concerned. This last necessity was accepted by the Legislature when it incorporated the proviso in item A (1) in Schedule II to the Indian Finance Act, 1933. It was proposed to lay down definitely in the Income-tax Act itself that the rates applicable to the assessment of incomes of this kind should be the rates in force at the time of payment. Clause 2 of the Bill had been drafted accordingly.

Closely connected with the case of tax actually deducted at source was that of dividends. Sub-sections (1) and (3) of section 48 assumed that the rates of tax at the time of the declaration of a dividend or payment of any income under the head "Salaries" or "Interest on Securities" would be unchanged at the time a refund was claimed. This led to very anomalous results when rates were changed, and to avoid them, notifications under section 60 of the Act had been issued from year to year in the past. Clause 4 of the Bill proposed to correct this defect in the Act permanently.

In the Income-tax Act of 1918, a separate chapter was introduced relating to a summary procedure for the assessment of incomes less than two thousand rupees. As these incomes were exempt from tax when the Indian Income-tax Act, 1922, was enacted, these provisions were omitted. When, however, in 1931-32, the limit of exemption was once again lowered to Rs. 1,000, these provisions were revived, and had been hitherto incorporated from year to year in the Finance Act. It was proposed that they should be incorporated in the Income-tax Act itself, and clause 3 of the Bill had been introduced accordingly.

After consulting the Income-tax Sub-Committee the Committee informed Mr. Mackenzie that in their opinion the amendments proposed by the Bill were desirable and that they were in favour of their adoption.

INCOME-TAX ON LEAVE SALARIES AND INDIAN STERLING LOANS.

In March 1933 the European Group in the Indian Central Legislature asked for the Chamber on the following resolution set down for discussion in the Council of State on the 15th March :—

"This Council recommends to the Governor-General in Council (*a*) to withdraw the notification exempting salaries drawn in England from Indian Income-tax, (*b*) to move the British Government for the necessary sanction and power to impose Indian Income-tax on a Indian Sterling Loans."

After consulting the Income-tax Sub-Committee the Committee informed the European Group that in regard to part (*a*) of the resolution there was a difference of opinion among the members of the Committee, some members holding that immunity from tax in both India and the United Kingdom was wrong in principle, while others considered that the concession was not an unreasonable one. In regard to part (*b*) the Committee were unanimous in opposing the suggestion that the British Government should be moved for the necessary sanction and power to impose Indian Income-tax on Indian sterling loans. It appeared to them that paragraph 16 of the Income-tax Manual supplied a good reply to this proposal, and it was pointed out that if a change were made security holders in the United Kingdom would have to apply for Dominion Income-tax relief from double income-tax.

The resolution was negatived.

THE INCOME-TAX SURCHARGE AND THE CUT IN THE SALARIES OF THE SERVICES.

The Associated Chambers of Commerce of India forwarded to this Chamber a copy of a letter that had been received from the Upper India Chamber of Commerce in which it was suggested that the Association should immediately protest against the further continuance of the surcharge and should at the same time emphatically anticipate any proposal that may be under consideration by Government for the restoration of the second moiety of the Services' cut in incomes before general relief in the matter of the income-tax surcharge was afforded.

The Committee in replying to the Associated Chambers mentioned that in speaking on the Finance Bill in March 1933, Sir Leslie Hudson voiced the strong demand of the European representatives that the relief to the Services and to the public should be linked matters. The Secretary of State, however, had stated on more than one occasion that the two matters were not and could not be linked. The Government of India had also laid down as a pledge that the restoration of the cut would be the first step in the reversion to the pre-crisis position, that is to say, it must precede, or at any rate not follow, removal of the other emergency measures, *e.g.*, surcharge on income-tax and on customs duty.

The Committee understood that the revenue returns for the current year were not encouraging and it seemed extremely doubtful if Government would have any surplus available to apply to relief of taxation this year. Sir George Schuster had stated at the Associated Chambers' meeting in January 1933 that retrenchment in the various Departments had been exercised to the furthest degree possible and that

there was no further room for economy in expenditure at any rate of a substantial kind.

In view of this the Committee felt that no good purpose would be served by pressing for income-tax relief to take precedence of the restoration of the Services' cut. The Committee did not, however, see any reason why the Association should not press at this juncture that the restoration of the second moiety of the Services' cut should not be provided for in the ensuing Budget unless at the same time some substantial and general relief was given in the matter of income-tax surcharge. This was done by the Associated Chambers.

The following resolution was submitted by the Upper India Chamber and adopted at the annual general meeting of the Associated Chambers held at Calcutta on the 8th and 9th January 1934 :—

"While recognising the financial difficulties of Government and the undertaking given to the services this Association desires to emphasise the opinion that the restoration of the second moiety of the cut in the salaries of the services should not be effected unless at the same time some substantial and general relief by the reduction or removal of the 25% income-tax surcharge is afforded, to be shared alike by the services and the public."

The following resolution also bearing on this question was submitted by the Madras Chamber and adopted at the annual general meeting of the Associated Chambers :—

"That in the opinion of the Associated Chambers of Commerce of India no new expenditure should be undertaken by the Government of India from the general revenues of the country until the emergency surcharges on income-tax and customs duty, and the emergency cut in the pay of the services, are removed."

INCOME-TAX ON PROVIDENT FUND CONTRIBUTIONS.

(*See Reports* 1915, *pp.* 46, 264; 1920, *Vol. I, page* 11; 1921, *Vol. I, page* 29; 1923, *Vol. I, page* 13; 1926, *Vol. I, page* 138; 1927, *Vol. I, page* 50; 1928, *Vol. I, page* 58; 1929, *Vol. I, page* 15; 1930, *Vol. I, page* 25; 1931, *Vol. I, page* 40; 1932, *page* 74.)

The Associated Chambers early in January 1932 informed the Chamber that such of the constituent Chambers as had replied to the reference in connection with the suggestion of the Madras Chamber regarding adjustments of income-tax on provident fund contributions (see Report for 1932) had stated in general terms that they approved of the Madras Chamber's suggestion, though some of the Chambers considered that any amendment of the Act should be on lines different from those suggested by the Madras Chamber. The Bengal Chamber had suggested that as Government had stated only a year ago that they did not propose to amend a complicated Act after such a short experience of its working, the Central Board of Revenue might be approached with a view to making an additional Rule under Chapter IX-A to provide that, if and when the accumulated balance was paid to a member, it was found that he had been taxed on accretions which he had not received, an adjustment should be allowed and tax refunded to such member. The Committee were doubtful, however, whether the step proposed by the Bengal Chamber was practicable, for provisions of an Act could not be altered by Rule and it seemed to them that the proposed Rule would in effect be amending Section 58G(2). In replying to the Associated Chambers to this effect the Committee stated that subject to legal practicabilities they could see no objection to the course proposed by the Bengal Chamber.

The Associated Chambers in February 1933 in forwarding to the Chamber copies of the replies that had been received from the constituent Chambers in connection with the suggestions of the Madras and Bengal Chambers invited particular attention to a further suggestion of the Madras Chamber that an additional rule under Chapter IX-A of the Act might be pressed for reading as follows :—

"When under the rules of the Fund of which he is a member, an employee becomes entitled as an irrevocable right to an accumulation of his employer's provisional contributions to the Fund, he shall be taxed in that year on such accumulations but only at the rates at which he paid tax in the year in which the individual credits comprised in the accumulation were provisionally credited to the Fund."

The Madras Chamber stated that the proposed rule related to the point originally raised by that Chamber, but a further point had arisen on which it desired to obtain the views of constituent Chambers. With a view to adjusting the inequitable payment of income-tax by an employee on the Company's contributions to his provident fund account which might eventually be forfeited by him, the Chamber suggested that income-tax should be charged by Government as at present. But on an employee leaving service and forfeiting the Company's contributions the Company should be compelled to credit the forfeited contributions to a "Common Fund" in the Provident Fund accounts, which fund would be for ultimate distribution to existing members. The Company would have to maintain a register showing the amount of tax suffered by the employee on his Company's contributions and this amount would have to be refunded to him by the Company, upon leaving, and debited to the "Common Fund." Upon any distribution of the "Common Fund" to the then remaining members such distribution would be free of tax in the members' hands. All interest accruing

to the "Common Fund" would be kept in a separate account and any distribution to members therefrom would be chargeable to tax in their hands.

Any liability of an employee under Section 58 G, subsection (2), and deductions to be made by Trustees under Section 58 H would have to be calculated on the accumulated balance excluding forfeited Company's contributions.

It was pointed out that this proposal would necessitate an additional rule in the Act to the effect that a distribution to members of any sums from the "Common Fund," excluding any interest accruing to such fund, would be tax-free in their hands, and slight amendments to Sections 58 G (2) and 58 H might also be necessary.

After consulting the Income-tax Sub-Committee the Committee in replying to the Associated Chambers stated that from their reading of the suggested "rule" under Chapter IX-A of the Act it would appear that the intention was that an employee would merely be assessed on his salary until time came for him to obtain his employers' contributions as an irrevocable right, and that until then the fact that he was a member of a recognised Provident Fund would be ignored. The Committee were unable to agree to this suggestion (1) because the proposal would entail the payment of a large sum in tax by the employee in the year in which the employer's contributions became irrevocable, and (2) because the proposal did not allow for the full adjustment of tax which would be payable as, when the employer's contributions actually attached to the employee, the latter would be assessed "backwards" only at his salary rate and not at any higher rate which might be applicable to him if his employers' contributions were added to his salary in order to arrive at his total income and the true rate of tax

applicable. In this connection the Committee adhered to the suggestion contained in their previous letter.

The Committee were also unable to agree to the other suggestion of the Madras Chamber, *viz.*, that forfeitures of an employer's contributions should be credited compulsorily to a "Common Fund" in the Provident Fund accounts, which fund would be for ultimate distribution among existing members. The Committee considered that the income-tax authorities should not be concerned with any such arrangement which should be a matter for agreement between the employer and employee and governed entirely by the rules of the particular fund concerned.

In again addressing this Chamber in October 1933 the Associated Chambers of Commerce of India referred to their previous enquiry as to whether the Chamber would be disposed to support a suggestion of the Bengal Chamber that as the Government of India had already intimated their unwillingness to amend the Indian Income-tax (Provident Fund Relief) Act after such a short experience of its working, the provisions of the Act should be allowed to stand as at present, but that a recommendation should be made to Government to provide by a simple rule that, at the time of payment to a member of the amount due to him from a recognised fund, an allowance or refund should be made to such member of any excess tax he had had to pay by reason of the fact that he had not drawn the full contribution of the employer.

While the general feeling of the Chambers appeared to be in favour of the above suggestion, a further expression of their views was sought on two points raised by the Madras Chamber, namely :—(1) whether the Chambers would agree either (*a*) to a suggested additional rule under Chapter IX-A

of the Act as put forward by the Madras Chamber or (*b*) to all the various proposals being submitted to Government leaving Government to decide which one they would adopt, and (2) regarding a proposed "common fund" for forfeited contributions which would be for ultimate distribution to existing members. The response to this further reference showed clearly that the preponderating weight of opinion of the Chamber was against the adoption of any of the above suggestions, and that the Chambers generally supported the Bengal Chamber's suggestion for the adoption of an additional rule under Chapter IX-A or, failing that, under section 60(1) of the Act. The President accordingly decided to take action on the lines of the Bengal Chamber's suggestion and addressed the Central Board of Revenue accordingly.

The Government of India in December 1933 issued a notification directing that when in any year an employee participating in a recognised provident fund had ceased to be an employee of the employer maintaining the fund and had been declared by such employer not to be eligible to receive the whole of the accumulated balance due to him, so much of his income as was assessable for that year should be exempted from income-tax and should be excluded from the computation of his total income for the purposes of the said Act as was equivalent to so much of the accumulated balance due to him as has not been paid or was not payable to him, and, if such amount exceeded the amount of his income in that year, so much of his income in the following year or years as was equal to the amount of such excess should be so exempted and excluded in such year or years.

In a letter to the Associated Chambers the Central Board of Revenue explained that it was not possible to make a rule, on the lines suggested by the Association, under Chapter IX-A of the Act and it was also beyond the power

of the Governor-General in Council, in issuing a notification under section 60 of the Act, to provide for the payment of refunds. The Government of India, however, were prepared to do everything that was within their legal powers to remove the hardship complained of; and this was done by the issue of a notification allowing the set-off of so much of the accumulated balance due to an employee as was not paid to him against his total income in the year in which the existence of the situation described was determined, and if necessary, in subsequent years. It was admitted that this would not give complete relief in the case of an employee who, through death or otherwise, ceased to have a taxable income before he had obtained the full advantage of the set-off. On the other hand, it was believed that in the majority of cases it would happen that the notification would give the desired relief effectively in the year in which the employee became eligible for it; and it was further pointed out that since the notification referred to the set-off of the accmulated balance short-paid against the total *income* of the assessee, the relief given would exceed that which would have been given by the process of refunding the tax when (as would be the case at the moment and was perhaps likely to be for a number of years) the rate of tax in the year of assessment was higher than the rates which were in force in all or most of the years in which the employee was overtaxed owing to the operation of section 58-E.

INCOME-TAX.

Double Depreciation Allowance on Machinery running Day and Night.

(*See Reports* 1931, *Vol. I, page* 46; 1932, *page* 59).

The Associated Chambers of Commerce of India in September 1933 asked for the views of this Chamber on a letter from

the Upper India Chamber drawing attention to the necessity for reviving the agitation for admission to a double depreciation allowance, for income-tax purposes, of machinery running day and night.

The Committee after carefully considering the question in consultation with the Income-tax Sub-Committee of the Chamber stated that, in their opinion, the case, which had already been fully represented, was not sufficiently strong to justify its being re-opened unless fresh ground could be broken. It appeared to the Committee that the adoption of double depreciation for double running time as a principle would admit of many undesirable repercussions. For instance factories which had in present depressed conditions been running short time would think it reasonable to have their statutory depreciation allowances curtailed on that account. If the idea were carried to its logical conclusion, *e.g.*, by the fixing of a sliding scale of allowances according to the number of hours run, it would be administratively impossible to carry out. There was the further question of the type of machinery and the varying incidence of deterioration. The Income-tax Act already attempted to legislate for this (*vide* the higher allowance on electrical plant). The matter must be dealt with on broad lines.

The Committee felt that, if the question were to be reopened the right line to take would be to ask for recognition, as in the United Kingdom, of certain industries as meriting special rates of allowance for depreciation, on account of long running hours necessitated by the nature of the process, though the Committee did not think it would be easy to make out many such cases. They preferred to rely on the existing practice of the Income-tax Officers in interpreting section 10(2) (*vi*) and (*vii*) of the Act. (See Rule 9, Column 4 on page 75 of the Income-tax Manual).

Alternatively the Committee saw no objection to Government being asked to amend section 10(2) (*vii*) to include machinery which was sold or discarded for reasons other than obsolescence, and they suggested that this point should be pressed. It seemed to them entirely reasonable that a machine which had been scrapped because it was broken, or which had become unserviceable through age, should qualify for the same treatment as one put out of use because it was out of date. This suggestion was in accord with one put forward by Mr. now Sir Hugh Cocke when speaking on a resolution moved by the Punjab Chamber at the annual meeting of the Associated Chambers in 1929. On a further reference from the Association the Committee suggested that if no objections were raised to this proposal it should be placed before government without delay.

INCOME-TAX ON DIVIDENDS.

In November 1932 the Associated Chambers of Commerce of India asked for the views of this Chamber on a representation that had been received from the Karachi Chamber in regard to the method of assessment adopted by the income-tax authorities at Karachi in certain cases. It appeared that the income-tax authorities had laid down that where a company had paid tax on a percentage only of the profits out of which dividends had been paid (the remaining percentage being derived either from investments outside India, the income not being brought into British India, or from tax-free securities) they were entitled to tax the shareholder direct on a percentage of his dividend corresponding to the percentage of the company's profits not liable to tax at source.

The Income-tax Sub-Committee of the Bengal Chamber were of opinion that this contention was not justified. It

seemed to them that the matter was clearly determined by Section 14(2) of the Act, which provided that tax should not be payable by an assessee in respect of any sum which he received by way of dividends as a shareholder in a company where the profits or gains of the Company had been assessed to income-tax. The section did not make that tax must have been paid on the whole of the profits. In the third edition of Sundaram (p. 653) the comment on this section was that it was not necessary that any tax should be payable by the company. "What is necessary is that it should have been assessed. Even if the company is not liable to pay tax, it may be in a position to declare dividends out of reserves, *i.e.* profits taxed in previous years, and the shareholders cannot be called on to pay tax on such dividends." It seemed to the Income-tax Sub-Committee that there was no room for doubt in the matter. In their view the certificate given by companies was for the double purpose of enabling shareholders to claim refunds and of showing at what rate dividends should be grossed for super-tax purposes; it was not intended that the certificate should be used as an instrument for the further taxing of a shareholder to income-tax.

After consulting the Income-tax Sub-Committee of this Chamber the Committee in replying to the Associated Chambers stated that in their opinion the view taken by the Bengal Chamber in regard to the question was correct. The point, they considered, was specifically covered by Section 14 (2) of the Indian Income-tax Act. According to this section so long as a company had been assessed to Income-tax for the financial year in which it declared a dividend it was immaterial what the rate of dividend might be, or out of what profits, current or reserved, it was paid. Whatever the sum paid by way of dividend or from whatever source derived the

recipient of the dividend was exempted from income-tax in respect thereof.

The Associated Chambers of Commerce subsequently addressed the Central Board of Revenue on the above lines.

Later the Associated Chambers forwarded to the Chamber a copy of a letter that had been received from the Central Board of Revenue in reply to the Association's representation.

As stated previously the Government of India were of opinion that where a dividend paid by a company in British India included an element of income, which was "exempt from tax for one reason or another, for example, interest on tax-free securities or 'agricultural income,'" the exemption held good of the income both in the hands of the company and in the hands of the shareholder. Where, however, a dividend included an element of income, which escaped liability to taxation in the hands of the company because it was income that in the nature of the case, was outside the scope of section (4) 1 of the Act, such as foreign income on which the Company was not liable under the provisions of the Act to pay tax in British India, that element was not exempt from tax in the hands of the shareholder. The Government of India contended that the exemption conferred by Section 14(2) (*a*) of the Act would be meaningless and unnecessary unless it connoted that, but for the existence of that exemption, the dividends would be taxable in the hands of the shareholder—obviously under the head "Other sources" (section 12). It followed, then, that dividends were taxable in the shareholders' hands under that section to the extent that they were not covered by sub-section 2 (*a*) of section 14. The Central Board of Revenue pointed out that the difference of opinion between the Associated Chambers and the Government of India was as to the interpretation of the expression

" where the profits or gains of the company have been assessed to income-tax " which is used in that sub-section.

The Association asked for the views of this Chamber as to what further action, if any, it considered should be taken in regard to this matter.

After consulting the Income-tax Sub-Committee the Committee in reply stated that while they felt that the view taken by the Central Board of Revenue might on the whole be reasonable they were of opinion that the interpretation placed on Section 14(2) (*a*) of the Income-tax Act by the Associated Chambers was the correct one. In view of this the Committee considered that before taking any further action it might be advisable for the Association to obtain Counsel's opinion on the point.

CEYLON INCOME-TAX.

DOUBLE TAXATION.

(*See Report* 1932, *page* 89).

The following Notification No. 23, dated 13th May 1933, issued by the Finance Department (Central Revenue) of the Government of India is reprinted for purposes of record.

In exercise of the powers conferred by section 60 of the Indian Income-tax Act, 1922, (XI of 1922), the Governor-General in Council is pleased to direct that the following further amendment shall be made in the notification of the Government of India in the Finance Department, (Central Revenues), No. 14 Income-tax, dated the 2nd April 1932, namely :—

To paragraph (2) of the said notification the following proviso shall be added, namely :—

" Provided that where any person is entitled to a further relief in British India on that part of his income on which relief is admissible

under the Ceylon Income-tax law on account of its having been also taxed in some other country besides Ceylon, the relief in respect of the Ceylon tax shall not exceed the difference between half the Indian Income-tax and such further relief as may have been granted in British India owing to that part of his income having been taxed in some other country besides Ceylon."

INCOME-TAX ON VISITORS TO CEYLON.

In October 1933 a case was brought to the notice of the Chamber in which one of the assistants of a member firm in Bombay visited the agency of the firm in Colombo for inspection and audit and was informed by the Ceylon Income-tax Authorities that he was liable to Ceylon income-tax on the proportion of the Indian salary which accrued during the days he was in Ceylon. The member pointed out that it was seldom that a visit by one of their staff from India extended to a whole week : most visits were for two or three days, but if the assistant were to visit Ceylon more than once in each year ending 31st March, the income accruing during all the visits would be the basis of assessment and might possibly exceed the minimum amount of Rs. 500 on which no tax was payable. The Ceylon Income-tax Authorities claimed that, under Section 5 of the Income-tax Ordinance, tax had to be paid on all income received from services rendered in Ceylon and when an assistant visited Ceylon for the purpose of inspection or audit he was rendering services in Ceylon and his total salary for the period or periods spent in Ceylon was income chargeable with Ceylon tax. The most unsatisfactory feature in the matter, however, was the possibility of the staff being detained after their work was finished pending a clearance from the Income-tax Authorities.

The Committee before taking the matter up with the Ceylon Authorities asked the Ceylon Chamber for its

opinion as to whether the assessment was *ultra vires* and also asked for advice as to how they should proceed further in the matter.

From information supplied by the Ceylon Chamber it appeared that though the position was unsatisfactory from the point of view of casual visitors to Ceylon the action taken by the Ceylon Income-tax Department was not *ultra vires* of the law.

The Committee then asked the Ceylon Chamber if it could see its way to persuade the Ceylon authorities to amend the procedure under which the tax was levied by, for example, permitting business houses to make an annual declaration to the Ceylon authorities of the number and duration of visits by their supervising staff from India, and the amounts of Indian salary that had accrued during the visits to Ceylon, and for assessments to be made at the end of each Ceylon income-tax year, on the basis of such declaration.

It was felt that this procedure would minimise the inconvenience caused to individuals and would also facilitate the giving of Empire tax relief in respect of Indian income-tax levied on income taxed in Ceylon.

The Chamber was informed in reply that the Income-tax Sub-Committee of the Ceylon Chamber had taken up the question with the Commissioner of Income-tax. The Income-tax Department stated that they were not usually in possession of such information, *e.g.*, the name of the employer of the persons concerned, as would enable them to refrain from issuing forms to employees of business houses, who would undertake to make an annual declaration to the Ceylon Authorities of the amounts of salary that had accrued during the visits of such employees to Ceylon.

The Income-tax Commissioner went on to state that "the arrangement might, however, be workable if the concerns in question would give an undertaking to pay tax on behalf of their employees and would, in addition, give the names of all employees who were likely to visit Ceylon during any particular year."

The Ceylon Chamber added that if members of this Chamber were prepared to give the undertaking that the Income-tax Department desired, the matter might be taken up further with them. It would of course be necessary for members to keep the Income-tax Department informed of intending visits to Ceylon, and of any change of occupancy of any such visitors.

The Committee intimated to the Ceylon Chamber in reply that in their opinion firms interested would be quite prepared to fall into line with the suggestions made by giving the required information and so take advantage of a simplified procedure. The Committee requested the Ceylon Chamber to carry the matter further with the Ceylon Income-tax authorities and endeavour to secure their agreement to an arrangement on the lines proposed above.

As other Chambers of Commerce in India would no doubt be interested in this matter copies of the correspondence were sent to the Associated Chambers of Commerce of India for information.

INDIAN PARTNERSHIP ACT, 1932.

Registration of Firms.

(*See Reports* 1930, *Vol. I, page* 22; 1931, *Vol. I, page* 74; 1932, *pages* 105 *and* 386.)

The attention of the Chamber was drawn in December 1933 to certain difficulties that had arisen in regard to the

registration of firms where a partner was unable or unwilling to sign the form of application for first registration of the firm.

On making enquiries at the office of the Registrar of Firms in Bombay the Committee were informed that the Registrar had already taken the matter up with the Government of Bombay and had suggested :—

(1) That the Act be amended by the addition at the end of Section 58 (1) of a proviso such as "Provided that when a person who is alleged to be a partner in a firm refuses to sign such statement and together with such statement there is sent to the Registrar a certificate signed by the partners signing the statement that the alleged partner is a partner but refuses to sign the statement then the statement may be accepted by the Registrar without the signature of such alleged partner, and by the addition in Section 59 after the words "entry of the statement" of the words "and certificate of partnership and refusal to sign (if any)" and at the end of the Section of the words "and certificate (if any)" and by the addition in Schedule I to the Act as the second item—"Certificate of refusal under Section 58—Two Rupees."

(2) By the addition in the Bombay Partnership Rules, 1932, of a new rule—

"7.—(*a*) On registration of a firm in respect of which a certificate of partnership and refusal and to sign has been given under Section 58 of the Act, the Registrar shall send by registered post to the alleged partner who refuses to sign a notice of the registration of the firm and of the contents of such certificate."

The Committee accordingly addressed the Government of India in the matter and pointed out that this Chamber had consistently urged that the registration of firms should be compulsory. This, however, had not been accepted and registration under the Act, as at present in force, was optional. Such being the case it was clearly impracticable to compel a recalcitrant partner to sign any application for registration. The proposals put forward by the Registrar of Firms, Bombay, appeared to the Committee to be the best solution of the difficulty, and they supported them.

INDIAN PARTNERSHIP ACT, 1932.

Disclosure of Trade or Business of Firm.

The attention of the Chamber was drawn in December 1933 by the Registrar of Firms, Bombay, to the fact that, owing to the absence of any provision in section 58 of the Indian Partnership Act for the compulsory declaration by a firm of its trade or business on first registration, considerable difficulty was likely to be experienced by the public when searching the index in identifying the firms about which they required information, owing to the fact that there might be on the register several firms of the same or similar names, and the registers would have to be inspected before the purpose of the enquirers would be achieved.

The Bombay Partnership Rules 1932 apparently had this point in view as they laid down that the alphabetical card index to the register should show the number, name, address and trade of each firm. A demand for information in regard to the trade of the firm could not, however, be enforced under section 58, and Form 'A' (Application for Registration) in the Bombay Rules therefore only asked for the particulars mentioned in section 58.

The Committee in addressing the Government of India in the matter suggested that steps might be taken to amend Section 58 (1) of the Act by inserting the following sub-clause "(aa) Trade or business" after sub-clause (*a*) "the firm name." It was also recommended that Form 'A' to the Rules should be similarly amended.

REGISTRATION OF TRADE MARKS IN INDIA.

(*See Reports* 1876/77, *page* 27 ; 1877/78, *page* 33 ; 1878/79, *page* 38 ; 1879/80, *page* 38 ; 1880/81, *pages lxxxviii*, 18 ; 1883/84, *pages* 152 ; 1890, *page* 166, 215 ; 1891, *page* 168 ; 1896, *page* 96 ; 1903, *page* 41 ; 1904, *page* 48 ; 1906, *pages* 139, 543 ; 1908, *page* 24 ; 1909, *pages* 80, 541 ; 1913, *pages* 111, 697 ; 1914, *page* 59 ; 1919, *pages* 73, 459 ; 1926, *Vol. I, page* 353 ; 1928, *Vol. I, page* 74 ; 1931, *Vol. I, page* 317 ; 1932, *page* 107).

As was noted in the Chamber's Report for 1932, the following resolution was adopted unanimously at the annual meeting of the Associated Chambers of Commerce of India held in Calcutta in January 1933 :—

"That in the opinion of this Association the commercial circumstances and conditions of the present time require the enactment of legislation to provide for the registration of trade marks in India in such manner as will give the registered user of any mark the right to an immediate injunction preventing the use of such mark or any colourable imitation thereof by others, subject only to proof of prior usage by the defendant in any dispute."

The terms of the resolution were duly communicated, to the Government of India, Commerce Department, who in reply stated that the matter was receiving its consideration.

In the meantime the Committee received a letter from the Mysore Chamber of Commerce in which it was intimated that that Chamber had addressed the Government of His Highness the Maharaja of Mysore urging that early action might be taken in Mysore State to introduce legislation for the registration of trade marks.

The Committee drew the attention of the Associated Chambers to the movement in Mysore State and pointed out that an anomalous situation was likely to arise if the Indian States introduced legislation before it was promulgated in British India.

INFRINGEMENT OF COPYRIGHT.

In May 1933 the attention of the Committee of the Chamber was drawn by a member to the fact that an unauthorised edition of a book published by a London firm publishers had been printed by a bookseller and publisher in Charkaman, Hyderabad, Deccan. The book in question was prescribed for the Osmania University, Matriculation Examination, 1933-1935. The Osmania University authorities voluntarily offered to pay the publishers a royalty on any of the latter's publications the University might wish to translate and definitely informed the publishers that they had no desire to take any advantage of the fact that the Copyright Act did not extend to Native States.

The Committee took the matter up in the first instance with the Hon'ble the Resident at Hyderabad with a view to obtaining his assistance, if possible, in protecting the rights of British publishers by preventing the unauthorised reprinting of their publications in Hyderabad State. The Resident in turn addressed H. E. H. the Nizam's Government in the matter but was informed that, as there was no mutual agreement between the Government of India and His Exalted Highness' Government regarding copyright, the latter regretted that no legal action could be taken against the bookseller and publisher in question to prevent the publication of further copies of the unauthorised edition of the book.

From information placed at the disposal of the Committee it appeared that in 1905 the Nizam's Government expressed their readiness to enter into a reciprocal arrangement with the Government of India in the matter of copyright, and a reference was accordingly made to the Government of India. The latter, however, stated that the question as it then stood was mainly theoretical and they were not disposed to take

steps in the direction of legislation, until they were convinced of the prevalence of literary piracy on a scale extensive enough to justify their taking action.

In bringing the above mentioned case of literary piracy to the notice of the Government of India the Committee enquired whether any other such cases had been reported to them and also whether Government proposed to take any action with a view to protecting the rights of British publishers in Native States.

The Government of India in replying to the Chamber's representation stated that complaints regarding piracy in literary works in Indian States had been rare, and the Government of India had at the moment no proposals in contemplation for action in respect of the protection of copyright in Indian States.

LETTERS PATENT OF THE BOMBAY HIGH COURT.

(*See Reports* 1928, *Vol. I, page* 89; 1929, *Vol. I, page* 45).

The Government of Bombay towards the end of June 1933 informed the Chamber that the Government of India did not propose, at present, to pursue the matter of the suggested amendment of Clause 12 the Letters Patent of the Bombay High Court.

The Committee enquired of the Government of Bombay whether the Government of India had given any reasons for their decision and if so, whether the Chamber might be informed what those reasons were. The Government of Bombay in reply informed the Chamber that in view of the diversity of opinion regarding the proposed amendment the Government of India were inclined to the view that the point of difference should be left to be decided by the Privy Council.

In addressing the Government of Bombay again in the matter the Committee stated that they inferred from the above that it was not the intention of the Government of India to take steps to remove the confusion which existed on account of conflicting interpretation placed on the same law by different High Courts in India, but to allow this confusion to remain until some litigant faced the expense of preferring an appeal to the Privy Council to decide what the law really meant.

In this connection the Committee drew attention to the resolution which was passed unanimously at the annual general meeting of the Associated Chambers of Commerce of India and Ceylon held at Bombay on the 16th December 1929 :—

"This Association recommends to the Government of India that in view of the conflicting decisions of the High Courts of Bombay, Calcutta and Madras as to the true meaning of the words "suits for land" in Clause 12 of the Letters Patent of these High Courts, clause 12 be so amended as to establish beyond question that the said High Courts have jurisdiction to entertain a suit on a mortgage of land, as also a suit for specific performance of a contract for the sale or purchase of land, as also a suit for damages for wrongful extraction of minerals from land, where either of the parties to such suit resides, or the cause of action arises, either wholly or in part within the local limits of the ordinary original jurisdiction of the High Court, notwithstanding that the land is situated without such local limits.

The Association suggests that such amendment may be most conveniently effected by adding an explanation to Clause 12 of the Letters Patent of each of the said High Courts to the effect that a suit for land does not include a suit on a mortgage of land, nor a suit for specific performance of a contract for the sale or purchase of land, nor a suit for damages for the wrongful extraction of minerals from land. And this Association further recommends that Clause 10 of the Letters Patent of the Rangoon High Court corresponding to Clause 12 of the Letters Patent of the said High Courts of Bombay, Calcutta and Madras be similarly amended."

The Committee added that they found it difficult to understand the attitude of the Government of India in this matter, as they felt it was the duty of that Government to have the point cleared up. They consequently expressed a hope that the Government of Bombay would again address the Government of India on the subject, urging them either to move His Majesty the King in Council to amend the Letters Patent of the High Courts of Bombay, Calcutta, Madras and Rangoon in the manner suggested in the above mentioned resolution or, alternatively, if this were possible, themselves to frame a reference to the Privy Council with a view to obtaining authoritative interpretation of the law as it stood.

The following resolution was submitted on behalf of this Chamber to the annual general meeting of the Associated Chambers of Commerce of India held at Calcutta on the 8th and 9th January 1934 :—

"This Association desires again to draw the attention of the Government of India to the resolution, which was unanimously passed at the Annual General Meeting of the Associated Chambers of Commerce of India and Ceylon, held at Bombay on 16th December 1929, and which urged the amendment of Clause 12 of the Letters Patent of the High Courts named as might be necessary to establish the true meaning of the words "suits for land."

"The Association desires to record its extreme dissatisfaction with the decision of the Government of India, notified only in June 1933, not to pursue the matter at present. The Association urges upon the Government of India that it is Government's duty either to move His Majesty the King in Council to amend the Letters Patent of the High Courts in the manner indicated in the Association's resolution of December 1929, or alternatively, if this is possible, themselves to frame a reference to the Privy Council with a view to obtaining authoritative interpretation of the law as it stands."

RULES UNDER THE INDIAN STAMP ACT.

Stamp Duty on Debentures.

By a Notification No. 1 of the 11th March 1933 the Government of India added "Debentures" to the list of instruments which might be stamped by means of labels being affixed thereto and impressed by the proper officer.

STAMP DUTY ON TRANSFERS OF PROPERTY.

In October 1933 the Associated Chambers of Commerce of India enquired whether this Chamber approved of a suggestion of the Burma Chamber that the Association should take up with the Government of India the question of the remission of stamp duty and *ad valorem* duty on Deeds of Transfer of Property between old companies and re-constituted companies. The Burma Chamber pointed out that a considerable number of companies of recent years had had to reconstruct generally, owing to losses due to the depression. The property of the old company had to be transferred to the new company and quite heavy stamp duties had to be paid on the transfer. This, it was contended, constituted an additional burden on companies which were finding it difficult to keep afloat, and where the new company took over the whole of the assets of the old company and the Shareholders in the new company were the same as those in the old company, it seemed unreasonable that the Stamp Duty should be charged. In support of this, it was stated that Section 55 of the United Kingdom Finance Act of 1927 abolished the charge of Stamp Duty on Deeds of Transfer in the same circumstances.

The Committee informed the Associated Chambers that they supported the suggestion of the Burma Chamber.

STAMP DUTY ON CHEQUES.

(*See Reports* 1926, *Vol. I, page* 104; 1927, *Vol. I, page* 14; 1932, *page* 56.)

It was proposed in the Finance Bill, 1933, that a duty of one anna should be re-imposed on cheques and on bills of exchange which were payable on demand. The Chamber supported the proposal as it was felt that it would not discourage the banking habit and at the same time would provide the Provinces with much needed revenue. The proposal was, however, rejected by the Legislative Assembly.

ENDORSEMENT OF BEARER CHEQUES.

(*See Reports* 1922, *Vol. I, page* 59; 1924, *Vol. I, page* 166; 1925, *Vol. I, page* 66; 1926, *Vol. I, page* 117; 1929, *Vol. I, page* 39.)

A Bill was passed by the Council of State in February 1933 which had for its object the amendment of the Negotiable Instruments Act, 1881, so as to provide that cheques originally drawn to bearer should not lose their bearer character notwithstanding any endorsement thereon whether in full or in blank and whether such endorsement purports to restrict or exclude further negotiation or not. In the statement of objects and reasons attached to the Bill it was mentioned that the necessity for the amendment had arisen out of a ruling of the Bombay High Court that under section 50 of the Negotiable Instruments Act, 1881, and the explanation thereto, a bearer bill could legally be changed to an order bill by endorsement. This made it incumbent on banks to examine all endorsements upon bearer cheques and thus considerably increased their work and responsibility without any compensatory advantage to their constituents or to the general

public. The proposed Bill aimed at removing this difficulty of the banks.

The Bill was considered by the Legislative Assembly on the 16th September 1933 and referred to a Select Committee.

AMENDMENT OF THE INDIAN PETROLEUM ACT, 1899.

In October 1933 the Government of Bombay asked for the views of the Chamber on a Bill which was introduced in the Legislative Assembly on the 22nd August 1933 to consolidate and amend the law relating to the import, transport, storage, production and refinement of petroleum and other inflammable substances. In the statement of objects and reasons attached to the Bill it was mentioned that the Indian Petroleum Act, 1899, was passed at a time when the use of petroleum, particularly of dangerous petroleum or petrol, was limited, and with the great develpoments in the use of petroleum that had taken place in the last 30 years it had become unsuitable in several ways. As early as 1903 the attention of the Government of India was drawn to the inconvenience arising from the existence in different provinces of separate sets of rules to regulate the importation, and transport of petroleum. The present Act did not permit the issue by the Government of India of a set of rules applicable throughout British India, and the only way in which it had been possible to secure uniformity had been by the issue by Local Governments from time to time of similar rules with the sanction of the Central Government. Local Governments and the interests concerned were consulted on the subject of revising the Act in 1925-26, and it was agreed by all Local Governments that the rule-making power should be transferred to the Central Government. In addition a number of other changes had been proposed in the light of experience.

The opportunity had been taken to rearrange the whole law. In addition to the "Preliminary" portion and the final "Supplemental" chapter, the Bill contained three separate chapters. Chapter I related to the control of petroleum and chapter II to its testing, while chapter III contained the necessary penal provisions and what might be described as criminal procedure.

After consulting members interested the Committee in replying to the Government of Bombay submitted the following remarks on those clauses of the Bill which appeared to called for comment :—

CHAPTER I.

Clause 12.—The intention was presumably to ensure that Government officials would not be hampered in the execution of their duties, but as the principal aims and objects of the Act were to safeguard the public in respect of the handling of dangerous commodities, this clause in its present form, which exempted Government in all circumstances from the necessity for complying with the conditions of Chapter I, seemed undesirable.

CHAPTER II.

Clause 16 (2).—The Committee suggested that the words "with sufficient accuracy" be omitted entirely and that the words "within prescribed limits" be substituted for them, and that a rider be added to the effect that "the prescribed limits should be those laid down in the edition from time to time current of the Institute of Petroleum Technologists' Standard methods of testing Petroleum and its Products."

Alternatively this rider might be provided for in the Rules and was in fact in line with recent practice as shown by Alipore Test certificates.

CHAPTER III.

Clause 25.—This section added the penalty of confiscation of petroleum and receptacles to the penalties of fine and imprisonment under Sections 23 and 24.

This extension of the penalty prescribed by Section 24 for a contravention of Section 6 (which prescribed the embossing or printing of a warning on receptacles) appeared to mean that the confiscation penalty was intended to apply to a failure to emboss or label containers or receptacles used in the commercial handling of petroleum products, *i.e.* during the process of sale or delivery to the public and the storage incidental to such sale or delivery. With this restricted meaning of "receptacles" the power to confiscate was not objectionable, but it was unlikely that it was intended to apply within refineries, major installations, pump stations, or on an oil field. It was therefore suggested that a subsection (*e*) be added to Section 6 providing that Section 6 should not apply to "tanks or plant within refineries or major installations, or at or near oil wells or in oil pumping stations."

INDIAN DRUGS ENQUIRY COMMITTEE.

In pursuance of a Resolution which was adopted by the Council of State in March 1927, recommending the Governor-General in Council to urge all Provincial Governments to take such steps as might be possible to control the indiscriminate use of medicinal drugs and to legislate for the standardization of the preparation and for the sale of such drugs, the Government of India after consulting and with the approval of Local Governments, appointed a small committee to explore and define the scope of the problem, and to make recommendations as to the measures which should be taken.

The terms of reference to the Committee were as follows :—

(1) To enquire into the extent to which drugs and chemicals of impure quality or defective strength, particularly those recognized by the British Pharmacopœia, are imported, manufactured or sold in British India, and to the necessity, in the public interest, of controlling such importation, manufacture and sale, and to make recommendations;

(2) To report how far the recommendations made in (1) may be extended to known and approved medicinal preparations other than those referred to above, and to medicines from indigenous drugs and chemicals; and

(3) To enquire into the necessity of legislation to restrict the profession of pharmacy to duly qualified persons, and to make recommendations.

The Committee was composed as follows :—

Chairman.

1. Lieut.-Col. R. N. Chopra, M.A., M.D. (Cantab.), L.R.C.P. (London), M.R.C.S. (Eng.), I.M.S., Professor of Pharmacology, School of Tropical Medicine and Hygiene, Calcutta.

Members.

2. Rev. Fr. J. F. Caius, S.J., Pharmacologist at the Haffkine Institute, Bombay.

3. Mr. H. Cooper, Ph. C., F.C.S., of Messrs. Smith Stanistreet and Co. Ltd., Manufacturing Chemists, Calcutta.

4. Maulvi Abdul Matin Chaudhury, M.L.A.

Mr. C. Govindan Nayer, B.A., B.L., Bar-at-Law, of the Madras Judicial Service, was appointed Secretary.

The report of the Drugs Enquiry Committee was published in December 1931. The Government of Bombay in May 1933 asked for the views of persons or bodies interested on the recommendations of the Indian Drugs Enquiry Committee

and particularly invited opinions on certain major issues discussed by the Committee. The Committee of the Chamber referred the matter to a special Sub-Committee consisting of Messrs. L. A. Halsall and S. Fuchsmann and also invited the views of members interested.

In subsequently addressing the Surgeon General with the Government of Bombay on the subject, the Committee in the first place stated that they would welcome legislation for the general control of drugs and pharmacy in India, a step which they regarded as very necessary and long overdue.

With regard to the eight major recommendations the Committee expressed the following views :—

Question (1). Should central legislation be undertaken to control drugs and pharmacy on the general lines suggested ?

Answer (1). Yes.

Question (2). Are central and provincial laboratories a necessary adjunct of the legislation proposed ?

Answer (2). Yes, but the Committee considered that it would be sufficient at the outset if two laboratories were established, *viz.* one in Calcutta and one in Bombay.

Question (3). Should a system of registration of pharmacists, with the qualifications proposed, be instituted ?

Answer (3). Yes.

Question (4). Should the administration of such a system be in the hands of central and provincial pharmaceutical councils ?

Answer (4). Yes.

Question (5). Should a system of registration of Indian and imported patent and proprietary medicines be instituted ?

Answer (5). Yes. This was essential.

Question (6). Should it be accepted as an ultimate aim of Government that the indigenous drugs should be brought under control?

Answer (6). Yes, so far as concerned indigenous drugs of recognised medicinal value.

Question (7). Can the University undertake to institute a course and Degree in pharmaceutical chemistry ?

Answer (7). Yes.

Question (8). Should steps be taken officially to compile an Indian pharmacopœia ?

Answer (8). This was not necessary. The British Pharmacopœia was adequate and was recognised in all the Colonies and Dominions and they did not have their own Pharmacopœia. All that would seem to be necessary was an Indian addendum to the British Pharmacopœia embodying any indigenous drugs of recognised medicinal value which were not already included in the British Pharmacopœia.

As regards the complete classified list of recommendations the Committee accepted these generally, subject to the following comments :—

Recommendation No. 25.—Amongst the proposals for undertaking the control of drugs were provisions to enable Government to deal with any drugs sold or exposed for sale which were " adulterated " or " misbranded." These powers were very necessary, but the Committee were of opinion that recommendation No. 25 would, on occasions, act hardly against *bona fide* manufacturers and importers. They considered that if drugs, sold or exposed for sale, even in sealed original packages, were found to be " adulterated " or " misbranded," the persons who should in the first instance be held responsible were those who exposed such drugs for sale to the public, and that on them should rest the onus of proof that the drugs were not adulterated or the packages tampered with after they came under their control. It frequently happened in this country that certain drugs

were adulterated after they had left the control of the manufacturer or importer and this was done so cleverly that it was often very difficult to see that the package had been tampered with in any way.

Recommendation No. 70.—The Committee were opposed to the recommendation that the import duty on manufactured drugs should be increased by 5 per cent. as they considered that the existing duties were already sufficiently high.

Recommendation No. 76.—The Committee were opposed to this recommendation. It appeared to imply a preferential rate of railway freight on indigenous raw materials and drugs as against imported raw materials and drugs—a principle which they regarded as objectionable.

Recommendation No. 77.—(Preferential purchase of Indian Drugs etc.). No objection could be raised to this provided it was clearly understood that quality and price were also taken into consideration.

AUXILIARY FORCE ACT, 1920.

Amending Bill.

A Bill further to amend the Auxiliary Force Act, 1920, was introduced in the Legislative Assembly on the 12th December 1932. In the statement of objects and reasons attached to the Bill it was mentioned that the Auxiliary Force Act, 1920, provided (A) that persons subject to the Act should be divided, according to their age, into three classes—the Active Class, the "A" Reserve and the "B" Reserve, and (B) that specified periods of training should be undergone by the members of each Class.

Experience had shown that these provisions, besides being somewhat complicated, were not conducive either to

efficiency or economy. An individual's suitability for active or reserve duties need not necessarily depend solely on his age; and, seeing that most of the funds devoted to the Auxiliary Force were spent on training, it was unreasonable that Government should not possess, especially in a period of financial strigency, the power to vary the amount of training to be done in order to meet the necessities of the case.

The Bill accordingly provided that persons subject to the Act should be divided into only two classes—the Active Class and the Reserve—and empowered the competent military authority to determine the periods of training to be undergone by persons subject to the Act, with the reservation that no such person should be required to undergo more training than that to which he was liable under the existing law.

At the same time the opportunity had been taken to amend the Act in two other respects which experience had shown to be desirable. In the first place greater latitude was provided in the interpretation of the term "competent military authority" so as to enable the administrative procedure and chain of responsibility to conform as nearly as possible to that of the regular army.

In the second place, the statutory restriction was removed under which, at the moment, only persons residing in the prescribed military area in which the headquarters of a corps or unit were located were eligible for enrolment in that corps or unit.

The Bill was referred to a Select Committee of the Legislative Assembly who, however, did not find it necessary to make any amendments as they were of opinion that the Bill as drafted adequately fulfilled the objects aimed at.

It was subsequently represented to the Chamber that no firm could guarantee that all its men who were taken to

be on the active list and whom it could ordinarily spare for the training required could definitely turn out at once when called upon. Consequently if it was a *sine qua non* that a man on the active list must be immediately available at any time firms would perforce have to reduce drastically, perhaps by 50 per cent. in some cases, the number of men whom they would allow to be on the list. The men who were thus barred might likely enough find the reserve unattractive and have nothing to do with it.

The Committee of the Chamber were unable to appreciate how the Bill affected the existing position as regards the absence from duty of employees but they were prepared to leave the matter in the hands of the European Group in the Central Legislature upon which the employers were well represented.

The Bill was referred to a Select Committee whose report was submitted to the Legislative Assembly on the 14th February 1933. The Bill was eventually passed by the Assembly on the 7th April and by the Council of State on the 10th April 1933.

INDIAN "KHADDAR" (NAME PROTECTION) BILL.

A Bill was introduced in the Legislative Assembly on the 18th February 1932 for the purpose of providing that the names "khaddar" and "khadi" whether in English or in any Indian vernacular language should be used as signifying exclusively cloth spun and woven in India by hand. The Committee were asked by the Bombay European representative in the Legislative Assembly in February 1933 whether they held any strong views in connection with the Bill. The Committee in reply stated that they did not consider the Bill unreasonable.

Subsequently the Government of Bombay asked for the views of the Chamber on the Bill and submitted an extract from the proceedings of the Legislative Assembly on the 9th February when the Bill was introduced. The Government of India had asked the Government of Bombay to invite attention to the following three points on which information might be furnished, *viz* :—

(*a*) Whether it was correct to assume that trade custom in India confined the use of the term "Khaddar" to cotton piece-goods woven by hand from hand-spun yarn;

(*b*) If not, whether it was desirable to impose this definition by law with a view to action under the Merchandise Marks Act to punish false description; and

(*c*) Whether it would be practicable to enforce the provisions of the Bill in the internal markets in India.

On reconsideration of the question the Committee in replying to the abovementioned points stated that—

(*a*) It was certainly incorrect to assume that trade custom in India confined the use of the term "Khaddar" to cotton piece-goods woven by hand from hand-spun yarn.

(*b*) It was absolutely undesirable (for the reason given above) to impose this definition by law. The sponsors of the Bill might just as well attempt to bring in legislation providing against "dhooties," "mulls," "shirtings" and all other clothes which were made for centuries on hand looms before the invention of machinery about 70 odd years ago.

(*c*) It would not be practicable to enforce the provisions of the Bill in the internal markets in India.

TRANSFER OF ADEN TO THE COLONIAL OFFICE.

(*See Report* 1921, *Vol. I, page* 214).

The Government of India on the 19th June 1933 published the following communiqué :—

"His Majesty's Government recently received representations from different communities among the inhabitants of Aden as well as

from certain quarters in India, expressing their various views with regard to the transfer of the administration of Aden from the control of the Government of India to His Majesty's Government. The matter is one which is now receiving the consideration of His Majesty's Government and the Government of India in connection with the impending constitutional changes. Full opportunity will be given for discussion in the Indian Legislative Chambers at their next session and for all interests concerned to state their views.

"Meanwhile His Majesty's Government think that it would be convenient that the considerations which suggest the desirability of the transfer of administration and the conditions that would be entailed by such a transfer should be made known, so that the problem can be discussed with a full knowledge of the facts.

"The reasons which suggest that Aden should not remain linked with India under the new constitution are that:—

(1) It is an area geographically remote from India;

(2) It would not naturally fit into the new Federation;

(3) It is already to some extent under the Imperial control, and

(4) It is inseparable in practice from the Aden Protectorate, which already passes wholly out of Indian control.

"If it should be decided that the administration of Aden should be separated from that of India, His Majesty's Government contemplate that the following conditions should be established:—

(1) India would be relieved of the annual contribution of approximately £ 150,000 or Rs. 20 lakhs at present payable towards the military and political administration;

(2) The right of appeal in judicial cases to the Bombay High Court would be maintained;

(3) His Majesty's Government would maintain the existing policy of making Aden a free port, unless some radical change in the present economic situation should take place. From their own viewpoint the abandonment of this policy would clearly, in the existing economic conditions, be financially unsound since the prosperity of Aden depends largely upon its transit trade;

(4) His Majesty's Government would do their utmost to maintain the present standard of administration and would not impose any additional taxation unless such course became in their opinion absolutely necessary;

(5) No racial legislation or segregation would be permitted by His Majesty.

A London cable states that, questioned regarding the future of Aden in the House of Commons, Sir Samuel Hoare made a statement similar to the communiqué issued by the Foreign and Political Department of the Government of India."

A debate on the transfer of Aden took place in the Council of State on the 31st August 1933 and the Chamber was asked for its views on the subject by the leader of the European Group in the Central Legislature. The Committee telegraphed to the effect that they realised the close connection of Aden with India as far as commerce and civil administration were concerned but did not consider this would be in any way imperilled by the transfer of Aden to the British Government which in view of the vital strategic importance of Aden to the Empire as a whole they thought should not be opposed. A further point was that the interests of the Arab population in Aden and the hinterland must be considered. The Committee suggested that if Indian opinion was antagonistic it might, if necessary, be satisfied by India receiving financial compensation for past expenditure.

At a later date the Committee in again addressing the leader of the European Group on the question stated that they thought it would have been better if His Majesty's Government had pronounced boldly with their White Paper proposals that they were going to assume full control of Aden. The Committee did not consider the transfer to be in any way inimical to Indian interests but on the other hand it might be vital to the interests of the Empire as a whole. The Committee were, however, prepared to let the members of the

European Group use their discretion as to intervening or not in the debate in the Assembly.

A debate on the subject took place in the Legislative Assembly on the 18th September 1933.

SEPARATION OF BURMA FROM INDIA.

Future Trade Relations.

The Prime Minister in his speech at the conclusion of the Burma Round Table Conference stated " As was observed by the Burma Sub-Committee of the first Indian Conference, it is important that separation should cause a minimum disturbance of the close trade relations between Burma and India, and arrangements will have to be made in regard to these relations before separation takes place."

The Standing Finance Committee of the Legislative Assembly in paragraph 16 of their Report on the Howard-Nixon Memorandum, expressed the opinion that the two countries would find it to their mutual advantage to preserve free trade between each other in all indigenous articles and products.

In September 1932 in replying to a reference from the Associated Chambers on the question the Committee stated that if a settlement was to be made before the separation of Burma from India took place they considered that the first trade agreement should subsist for a period of from five to seven years. A doubt had, however, been expressed as to whether this was a correct interpretation of the Prime Minister's words quoted above, and it was suggested that the agreement might be negotiated between the new Governments. If this was so the question of the length of the agreement did not arise at the moment.

The Committee agreed that in the event of separation being decided upon it should cause a minimum disturbance of the close trade relations between the two countries and they were therefore strongly in favour of the adoption of a fiscal policy under which existing relations would be maintained, *i.e.* imports of indigenous products from either country to the other to be allowed entry free of import duty, subject to exception in the case of exciseable articles, *viz.* kerosene, petrol and silver. The Committee also were in favour of the Associated Chambers making representations to the Governments of India and Burma in order to press them to adopt in the trade agreement this free trade policy.

The Committee reiterated this view in addressing the Associated Chambers again in reply to a further reference on the subject from the Burma Chamber.

BOMBAY FINANCE (AMENDMENT) ACT, 1933.

DUTY ON CONSUMPTION OF ELECTRICAL ENERGY.

(*See Report*, 1932, *page* 103).

The Government of Bombay on the 25th January 1933 published a Bill which had for its object the amendment of the Bombay Finance Act 1932. In the statement of objects and reasons attached to the Bill it was mentioned that Parts II, III and IV of the Bombay Finance Act, 1932, relating to the levy of duty on the consumption of electrical energy, of enhanced court fees and stamp duties were, under section 2 (3) of the said Act, to remain in operation till 31st March 1933. The enhanced rates of court fees and stamp duties had been in force since 1922. The existing financial position made it necessary that the operation of Parts II, III and IV of the Bombay Finance Act, 1932, should be extended

to a further period of one year. This Bill was intended to carry out the above object.

While the Committee of the Chamber agreed to the necessity for continuing the enhanced rates of court fees and stamp duties they were strongly opposed to the continuance of the electricity tax which they regarded as a tax on development that was only accepted in 1932 as an emergency measure. They were of opinion, therefore, that it should not be made permanent. The Committee, however, left the whole question of taxation to the Chamber's representatives in the Bombay Legislative Council to be dealt with by them in the light of the Budget position and the other proposals which Government might put forward in connection with reorganisation and retrenchment.

A copy of the Committee's resolution to the above effect was forwarded to the Chamber's representatives in the Council for their information.

The Bill was passed by the Legislative Council on the 24th February 1933.

In reply to an enquiry from a member in September 1933 on the subject the Committee stated that when the duty on consumption of electrical energy was introduced in 1932, and extended in 1933, the Chamber accepted it as an emergency imposition and would oppose any attempt on the part of Government to make it permanent. If it were found at all necessary to continue the tax the Committee would oppose strongly anything beyond another year's extension but would agree to this only if Government could satisfy them that the money was still essential. The Committee added that nothing, however, could be done until Government's budget proposals for 1934 were published.

GOVERNMENT OF BOMBAY REORGANISATION COMMITTEE.

(*See Reports*, 1931, *Vol. I*, *page* 29 ; 1932, *page* 91).

The Report of the Government of Bombay Reorganisation Committee was issued on the 7th January 1933 and a summary was published in the local press on that date. The Committee of the Chamber submitted the Report for consideration to a Special Sub-Committee consisting of Mr. G. L. Winterbotham, M.L.C., Mr. J. R. Abercrombie, the Hon'ble Mr. E. Miller, Mr. J. B. Greaves, M.L.C., and Mr. J. Humphrey, M.L.C. In the meantime the Government of Bombay on the 14th February 1933 laid on the table of the Bombay Legislative Council a statement showing the action taken by them on the recommendations contained in the Report of the Reorganisation Committee.

In conveying to the Government of Bombay the Chamber's views on the Report, the Committee stated that, speaking generally, they considered that the report was a very valuable contribution to the financial problem confronting the Bombay Government and they particularly endorsed what the Reorganisation Committee wrote in their last chapter as to the importance of Government stating publicly as soon as possible the action which it was proposed to take on the Committee's main recommendations and laying down a programme for giving effect to those which were accepted. The Committee noted with great satisfaction the wording of the pledge given to the Council by the Honourable the Finance Member in his speech introducing the budget for the coming year " to pursue unrelentingly the task of reconstruction and reorganisation so as to secure the greatest efficiency with the least cost in every branch of the public administration.....with the object of securing a budget

which will not only balance but will again provide for gradual development."

The full text of the letter containing the Committee's detailed comments on the recommendations of the Reorganisation Committee was communicated to members on the 3rd April 1933, and is reproduced in the Appendices for purposes of record.

DIVISIONAL COMMISSIONERS.

Suggested abolition of Posts.

The European Group in the Central Legislature asked for the views of the Chamber on the following resolution which was set down for discussion in the Council of State on the 15th March 1933 :—

"This Council recommends to the Governor-General in Council to pronounce in favour of abolition or at least reduction by half of the posts of divisional commissioners with an option for provincial legislatures finally to decide the question."

The Committeee in reply stated that in the evidence submitted by the Chamber to the Reorganisation Committee which was set up in 1932 by the Government of Bombay it was suggested that the pursuit of a policy of decentralisation might do away with the necessity for Divisional Commissionerships and relieve the congestion in the Secretariat.

The report of the Reorganisation Committee recommended the substitution of a Board of Revenue for the existing system of Divisional Commissioners, except for Sind ; it was proposed that the Board should consist of two revenue commissioners and the excise commissioner.

In commenting on the report of the Reorganisation Committee the Committee of the Chamber stated that they preferred the scheme adumbrated by the former to their

own, as it seemed calculated to secure greater decentralisation, relieve the congestion in the Secretariat and generally to simplify the machinery of administration not only in the Revenue Department but in all the chief Departments.

Although, therefore, so far as Bombay was concerned the Committee might view with sympathy the step suggested in the resolution they considered that this matter was one which could only be decided by each Province and was not a suitable subject for an all-India debate. Notwithstanding the proviso leaving the final decision with the Provincial Legislatures, the Committee could not see their way to support a resolution which called on the Governor-General to interfere in the organisation of Provincial Administrations. If the Provinces were to become autonomous units of a Federation it should be left to them to organise their administration in the manner that best suited their needs and finances.

THE FUTURE OF ST. GEORGE'S HOSPITAL.

(*See Reports*, 1922, *Vol. I, page* 19 ; 1923, *Vol. I, page* 20).

The Bombay Reorganisation Committee recommended that St. George's Hospital should be closed, its land and buildings sold at a good price and a new 100 bed hospital on another site provided for Europeans. The Committee called attention to the facts that (1) only part of the hospital was utilised at the moment ; (2) the hospital was being used primarily not for Europeans but for others ; and (3) the hospital occupied an unnecessarily large site of 16 acres in all. They therefore suggested that a hospital of a hundred beds would be adequate for European requirements and that it would probably be more economical to provide a hospital of this size on another site and accommodate the non-

Europeans who made use of St. George's Hospital in some of the wards lying vacant at the moment in other hospitals.

The Government of Bombay in May 1933 asked for the views of the Chamber on the question and put forward for consideration the following five alternative methods of dealing with the recommendation of the Reorganisation Committee :—

(1) The Committee's recommendation of substituting a hundred bed hospital on a new site and reserving it for Europeans only.

(2) Providing accommodation for European and Anglo-Indian patients in the J. J. Group of hospitals and the G. T. hospital by reserving separate wards for these communities.

(3) The European community might establish its own separate hospital to be managed by a Committee to which Government might give a grant-in-aid.

(4) A part of St. George's Hospital might be reserved for Europeans only, the bulk of the accommodation closed and the non-European patients transferred to other hospitals in the City.

(5) The present vacant accommodation in St. George's Hospital might be taken into use by throwing open the hospital to all communities.

The schemes were considered by a Sub-Committee of the European Association, Bombay Branch, in collaboration with a special Sub-Committee of the Chamber with the object of co-ordinating views on the whole question, and subsequently a letter was addressed to the Government of Bombay giving the tentative views of the Committee of the Chamber, which were that it was impracticable, for economic reasons, either to change the site, or to reduce the size, of the existing hospital. Nor was the suggestion to provide separate European wards in the J. J. and G. T. hospitals, even if the existing accommodation there would permit, likely to commend itself to the European community. The Committee were therefore opposed to the alternatives

1 to 4, and on the assumption that a change from the existing position was necessary, they were disposed to favour alternative No. 5, *viz.* the proposal that the present vacant accommodation in St. George's Hospital might be taken into use by throwing open a part of the hospital to all communities. In the belief that this was the proposal most likely to command general support, and that Government therefore might be expected to follow up the matter on these lines, the Committee put forward the following general principles by which they suggested that Government should be guided in working out a detailed scheme :—

I. (*a*) Accommodation should continue to be provided for the exclusive use of Europeans.

(*b*) The extent of this accommodation should be sufficient for the needs of the European community as measured by previous statistics, with an adequate margin for contingencies.

(*c*) There should be no lowering of the present standard, either of accommodation, or of medical and other attendance. In particular the senior medical staff of this part of the hospital should remain exclusively European.

(*d*) Separate European accommodation should be provided for
Maternity cases,
Children,
Venereal Diseases,
Infectious Diseases.

II. After provision of European accommodation as above, and after allowance was made for the changed administrative requirements the rest of the hospital might be thrown open to other communities.

If there was to be limitation on the admissibility of other communities, from the point of view of diet and mode of living generally, this should be clearly defined.

III. Graduated scales of fees to be charged, both for Europeans and for others, should be drawn up.

IV. An Almoner should be appointed whose duty it would be to enquire into each patient's capacity to pay fees laid down, on the lines adopted by the London Hospitals. The Almoner should enquire into the cases of both in and out patients.

V. Separate statistics should be maintained of both parts of the hospital, European and other, not only in regard to patients treated and fees received, but also in respect of cost of maintenance.

VI. The possibility should be considered of introducing two or more resident Indian house surgeons, for attendance on Indian patients who might prefer this.

It was also suggested that advantage should be taken of the reorganisation to improve the existing nursing home accommodation. A proposal had been made that a new nursing home, for Europeans only, should be constructed on the roof of the hospital, which would make the present home available for other purposes.

The Committee emphasised that their views as expressed above must be taken as provisional only. They did no more than state a preference for one of the five alternatives suggested by Government, and indicate lines on which they considered that a scheme for giving effect to it should be worked out. If their preference for the fifth alternative was accepted, the Committee were of opinion that it was for Government, aided by the best technical advice, to draw up the scheme in full detail, showing the re-arrangement proposed of the available accommodation, any additions thereto which might be desirable, the capital expenditure involved in the reorganisation, and a budget of estimated expenditure and revenue after it was brought into force. The scheme should then be re-submitted, for full and unhurried consideration, to all interests which had been consulted, and in particular to the community whose medical welfare was primarily at stake.

THE RIOT TAX.

In April 1933 the Committee addressed the Government of Bombay in regard to the question of the levies which may be made by the Chief Presidency Magistrate, under Section 45 of the City of Bombay Police Act (IV of 1902), to cover the payment of compensation for injury or loss caused by an unlawful assembly, with particular reference to the compensation claimed in connection with the riots which took place in Bombay in 1929, 1930 and 1932.

The Committee pointed out that according to Section 45, the object of levying the tax was to compensate "any person or persons in respect of any loss or damage caused to any property, or in respect of death or grievous hurt caused to any person or persons, by anything done in the prosecution of the common object of an unlawful assembly." It would appear to be a logical corollary that those persons only should be liable to the tax who had actually participated in the unlawful assembly which caused the loss or injury. While it must be admitted that it was not practicable to recover compensation strictly on this basis, the orders issued by the Chief Presidency Magistrate would seem to rely on an analogous principle. In his order of 29th July 1932 dealing with the riots which took place in 1929 which were of a communal nature, the Chief Presidency Magistrate exempted from the tax, among others, "all persons who between the 1st February 1929 and the 31st May 1929 were....(*d*) neither Hindus nor Mahomedans...." The intention was clearly the very proper one of confining liability for compensation to those communities which were responsible for the unlawful assembly and for the consequent damage.

This principle was, however, subjected in the order to two qualifications:—(*a*) The exemption quoted above was

followed by a proviso " that this exemption shall not apply to corporate bodies" ; (*b*) The application of the levy was limited to certain specified Wards or sections of Wards. This was in accordance with Section 45 (1)(*b*) of the Police Act, and the intention would seem to be to impose the tax only on Municipal areas in which rioting actually took place.

The Committee were unable to appreciate the justification for the Chief Presidency Magistrate's action in excepting from exemption all corporate bodies, and submitted that the liability of such bodies should be confined to those whose constitution rested on the communal basis which was made the test for individuals. There seemed to be no logical or equitable ground for singling out for taxation railways, port authorities, joint stock companies, etc., simply on the score that they were corporate bodies, and for no other reason.

The Committee were likewise not in agreement with the geographical basis on which this additional tax was levied. It was, they pointed out, one of the first functions of Government to maintain order, and Government armed itself, at the taxpayer's expense, with a police force for this purpose. If conditions arose in which that force was temporarily unable to cope with rioting or to prevent damage by rioters, it seemed to the Committee reasonable that compensation for such damage should be met from the general revenues of Government. The Committee added that if, however, it was held that special contribution must be made by the inhabitants of Bombay, to meet damage caused by rioting in the city, then they would strongly urge that the imposition of the necessary tax, on whatever basis, communal or otherwise it might be levied, should extend to the whole of the city, and not to selected areas only.

It seemed to the Committee that amendment of the City of Bombay Police Act might not be necessary to give effect

to these suggestions, but that this might be achieved under Section 45 (1)(*b*) of the existing Act, which laid down that the powers of the Chief Presidency Magistrate in this matter were subject to "general or special order of the Governor-in-Council." The Committee, therefore, asked that Government would consider the desirability of directing the Chief Presidency Magistrate in this matter in the manner proposed by them.

The Government of Bombay in reply stated that with regard to the first suggestion of the Chamber, *viz.*, that the liability of corporate bodies to pay the tax should be confined to those whose constitution rests on a communal basis, the power to exempt any persons or bodies from liability to pay compensation was vested solely in the Chief Presidency Magistrate under Section 45 (2) of the City of Bombay Police Act, and that Government had no power to revise his orders in this respect. The words "subject to any general or special orders of the Governor in Council in this behalf" in Section 45 (1) (*b*) of the Act had reference only to the levy or non-levy of the tax generally in Municipal wards, sub-wards or sections thereof.

As regards the second suggestion, *viz.*, that the compensation should be paid from general revenues, and if this is not accepted, the imposition of the tax should extend to the whole of the city and not to selected areas only, Government stated that they could not agree that the compensation should be paid from the general revenues as such a course would penalise the general tax-payer for acts for which he was not responsible. As regards the suggestion that the imposition of the tax should extend to the whole city, Government stated that the Governor-in-Council considered the course adopted by the Chief Presidency Magistrate of exempt-

ing from the operation of the tax those localities which were free from the influence of the riots quite fair and reasonable.

In conclusion, it was stated, that Government did not consider it necessary to give any directions to the Chief Presidency Magistrate as suggested by the Committee.

Previous to addressing the Government of Bombay on the general question the Committee also addressed the Chief Presidency Magistrate in regard to the levy, under the provisions of sections 45 and 46 of the City of Bombay Police Act, 1902 of additional general tax as the Chamber's share of the compensation awarded for loss and damage caused during the communal riots of 1929 and 1930. The Chamber's claim for exemption was based on the fact that the Measurement Department Chowkies in respect of which the riot tax was levied were situated in the Dock area that had already been specifically exempted by the Chief Presidency Magistrate. The latter, however, refused to grant the Chamber exemption on the ground that as the Chamber was a corporate body any exemption granted to it would entail granting similar exemptions to other corporate bodies.

BOMBAY (DISTRICT) TOBACCO ACT, 1933.

(*See Report*, 1932, *page* 177).

A Bill was introduced in the Bombay Legislative Council on the 25th February 1933, which had for its object the imposition and levy of fees on the sale of tobacco in the Presidency of Bombay excluding the City of Bombay.

In the statement of objects and reasons attached to the Bill it was mentioned that under the Tobacco Duty (Town of Bombay) Act, 1857, tobacco imported into the Town and Island of Bombay was subject to duty. No duty was leviable

on tobacco in the mofussil. The Taxation Inquiry Committee in paragraph 193 of their report (Vol. I, p. 155) had observed :—

"The absence of any internal taxation on tobacco is a feature which distinguishes the fiscal system of India from that of almost every other civilised country in the world. The considerations which have led in other countries to the selection of tobacco as one of the principal subjects for consumption taxation apply with equal force to India. It is a typical instance of a conventional luxury whose use goes down to the poorest classes and it is an article the consumption of which can be varied greatly both in quality and quantity according to the means of the consumer."

In the existing financial difficulties of the Presidency, it appeared necessary that revenue should be derived from this source. The Bill merely provided that no person should be at liberty to sell tobacco either wholesale or retail without a license which would be granted on payment of a prescribed fee. This could be done without harassment to the tobacco trade or burden on the bidi manufacture industry. It was not intended to restrict the use or possession of tobacco and cultivators of tobacco would be free to sell their produce wholesale without a license, though they would be required to take out a license for retail sale.

The schedule appended to the Bill laid down the following maxima of rates of license fees :—

		Rs.
(1)	Wholesale	150
(2)	Retail	75
(3)	Hawker	2

The Bill was approved in principle by the Committee subject to satisfactory arrangements of detail. An endeavour was made in Council to amend the Bill so as to have one license only, that is the retail license, which should include the wholesale license. This was, however, defeated and an

amendment was moved by Government and adopted laying down a sliding scale of license fees based on the population of towns and villages. The Bill was passed on the 2nd March 1933 and came into force on the 1st April 1933.

BOMBAY RENT BILL, 1933.

A private Bill was introduced in the Bombay Legislative Council on the 16th February 1933, which had for its object the regulation of rents of premises in the Bombay Presidency. The Bill was published in the *Bombay Government Gazette* on the 7th March 1933.

The Committee of the Chamber felt that conditions prevailing at the moment were fundamentally opposed to those which first justified the introduction of legislation in this matter and they could see no ground for seeking to perpetuate artificial restriction of the operation of the law of supply and demand. They consequently informed the Chamber's representatives in the Bombay Legislative Council that they considered the Bill should not have the support of the Chamber when it was brought before the Council.

BILL TO AMEND THE BOMBAY PREVENTION OF ADULTERATION ACT, 1925.

In October 1933 the Government of Bombay asked for the views of the Chamber on a Bill (No. XXIX of 1933) to amend Section 4 (1) of the Bombay Prevention of Adulteration Act, 1925, introduced by Mr. A. N. Surve, M.L.C., during the previous session of the Bombay Legislative Council. In the statement of objects and reasons attached to the Bill it was mentioned that the object of the Bill was to enhance the punishment for the purpose of prohibiting adulteration of articles of food, *e.g.*, butter, ghee, etc., by the addition of

imprisonment to that of the fine prescribed under section 4 (1) of the Act. Under that provision the offence was punishable with fine only which was graduated with reference to the number of the offence. The amendment sought to be made was that the first offence should be punishable with fine or imprisonment and the subsequent offences with fine and imprisonment. The disclosures made in several recent prosecutions sufficiently warranted the stiffening of the provisions of the Act which were utterly disregarded by the offenders, who were well-to-do and to whom a mere fine would not act as a deterrent. The offence was against both public health and the religious sentiment of those persons who did not eat the fat of dead creatures.

The Committee informed the Government of Bombay that they had no remarks to offer on the provisions of the Bill which they desired to support.

BOMBAY WEIGHTS AND MEASURES RULES.

(*See Reports*, 1906, *pp.* 116, 487; 1908, *page* 110; 1910, *page* 99; 1912, *pages* 118, 646; 1913, *pages* 45, 300; 1914, *pages* 50, 398; 1915, *pages* 68, 422; 1920, *Vol. I, page* 201; 1922, *Vol. I, page* 306; 1924, *Vol. I, page* 344; *and* 1932, *page* 114.)

The Government of Bombay asked for the views of the Chamber on the draft Bombay Weights and Measures Rules, 1933, that were published in Part I of the *Bombay Government Gazette*, dated 21st September 1933, page 2127.

The Committee referred the draft rules to a special Sub-Committee consisting of Messrs. L. A. Halsall, J. J. Flockhart, Albert Raymond, H. C. Hare and N. C. Brander, and subsequently informed Government that they had no objections to the draft rules.

FEES FOR STATUTORY ELECTRICAL INSPECTIONS.

A letter was received in September 1933 from the Associated Chambers of Commerce of India as a result of an enquiry from the Madras Chamber, asking for information, in regard to the attitude adopted by the Government of this Province on the question of payment for statutory inspections carried out by the Government Electrical Inspectors on their own initiative.

After consulting the Electricity Sub-Committee of the Chamber in the matter the Committee informed the Associated Chambers that the Public Works Department of the Government of Bombay levied fees for testing and inspection and generally for the services of Electrical Inspectors under the Indian Electricity Act, 1910 (X of 1910) in exercise of the powers conferred by sub-rule (2) of rule (5) of the Indian Electricity Rules, 1922, as subsequently amended.

It seemed to the Committee that the point raised by the Madras Chamber as to whether any local Government was legally justified in interpreting sub-rule (2) of rule 5 as its authority for levying fees in respect of statutory inspections, or whether it could only levy fees in respect of inspections which were applied for, was a moot one, and which could only be settled by taking legal opinion.

The Committee felt, however, that it would be a waste of time to attempt to thrash the matter out, because if it were found that the action of the local Governments in charging fees for statutory inspections was contrary to the legal interpretation of the Electricity rules, as at present worded, it would not take the Government of India very long to effect a simple amendment of the rules which would give the local Governments the requisite authority. Moreover, the Committee considered that the Government of India

would be perfectly justified in doing so, as there could be little doubt that the statutory inspections were absolutely necessary, and were made for the purpose of protecting all users of electricity, the majority of whom, at least in India, had not the slightest idea of the most elementary precautions that should be taken. A public service was thus rendered, and in the opinion of the Committee should most certainly be paid for.

AMENDMENT OF THE INDIAN ELECTRICITY RULES, 1922.

In May 1933 the Government of Bombay asked for the views of the Chamber on a proposal of the Government of India to amend the Indian Electricity Rules, 1922, as follows :—

(1) After Rule 42 insert the following new rule ;—

"42-A. *Switches to be on the live wire.* In every distributing system where there is a neutral conductor connected to earth, no single pole switch, other than a link for testing purposes, or a switch for use in controlling a generator shall be inserted in such neutral conductor or any branch thereof.

Provided that a switch, link, automatic or other cut-out may be inserted in the connection between the neutral conductor and earth at the generating or sub-station, for use in testing and emergencies only."

(*ii*) Re-number the present Rule 50 as sub-rule (1) of Rule 50 and add the following sub-rule :—

"(2) When the external conductor is bare and uninsulated, it shall be efficiently connected with earth, and no switch cut-out, or circuit breaker shall be inserted in that conductor or in any conductor connected thereto.

Exception. Switches, cut-outs or circuit breakers may be used to break the connection with the generators or transformers supplying

the energy; provided that in no case of bare external conductor the connection of the conductor with the earth is thereby broken."

After consulting the Electricity Sub-Committee the Committee informed the Government of Bombay that they had no objection to the proposed amendments.

SAFETY DEVICES IN PASSENGER LIFTS.

During the year under review the Electricity Sub-Committee of the Chamber had under consideration the question of the compulsory installation of safety devices in passenger lifts. The Committee were informed that there were no rules in force making the provision of safety devices compulsory. It was asserted that a considerable number of lifts in Bombay had never been fitted with safety devices and that in the case of those that were so fitted the devices were in most instances out of order either on account of lack of interest on the part of the owners or by the deliberate act of the attendants.

The question of the enforcement of the provision of adequate safety devices was considered by the Government of Bombay in 1914 and a Press Communiqué was issued by the Public Works Department on the 16th September 1914. Apparently, however, nothing was done at the time nor had anything been done since.

As the Committee were of opinion that this was an all-India matter they asked the Associated Chambers of Commerce of India in November 1933 to enquire of the constituent Chambers whether they would agree to a representation being made to the Government of India on the need for legislation. It was suggested to the Committee that the best way to attain the object in view would be for the Government of India

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to frame all-India legislation making it obligatory on the part of owners of lifts to have them inspected during erection and subsequently, say every three months, by a competent Lift Engineer or by an officer deputed by the local Government for the purpose.

For the information of the Chambers a copy of a specification for the design, erection, maintenance and operation of lifts that had been drawn by up this Chamber's Electricity Sub-Committee was submitted to the Associated Chambers.

SEA CUSTOMS ACT, SECTION 30.

(*See Report*, 1932, *page* 155).

At the annual general meeting of the Associated Chambers of Commerce of India held at Calcutta in January 1933 the following resolution was adopted :—

"This Association invites the attention of the Government of India to the increasing tendency of the Customs Authorities to assess goods to duty on 'market values' under sub-section (*a*) of section 30 of the Sea Customs Act rather than on 'landed cost' under sub-section (*b*), and is of opinion that Customs officers should be instructed to exercise the greatest care to ensure that sub-section (*a*) shall be applied only in the case of staple articles the prices current for which, if not a subject of daily publication in the press, are generally known and readily ascertainable."

The terms of the resolution and a copy of the report of the discussion which preceded its adoption, were duly forwarded to the Government of India, Central Board of Revenue. The latter in reply stated that after making enquiries into the matter they had been unable to find any increasing tendency of the Customs Authorities to assess goods under section 30 (*a*) of the Sea Customs Act. It was stated that care was always taken to ensure that sub-section

(*a*) was applied only to articles the prices current for which were generally known and readily ascertainable. The Board added that nothing could be more readily ascertainble than the wholesale catalogue prices of local distributors of established brands of proprietary goods.

The Committee informed the Associated Chambers that they considered Government's reply far from satisfactory. It could not be denied that wholesale catalogue prices were readily ascertainable, but as a reference to the speech of the mover of the resolution would show, it was precisely against a too free use of this basis of assessment that protest was directed. It was contended that such wholesale catalogue prices did not necessarily constitute the "real value" within the meaning of section 30 of the Sea Customs Act. The Committee saw no occasion to alter their view on that point.

The Committee further pointed out that in the Privy Council judgment referred to by the mover of the resolution the real value was defined as a price "conservative in it every aspect and free in particular from any post importation charges incurred in relation to the goods." If a local distributor published lists showing the prices at which he was prepared to sell certain goods in wholesale quantities it was not correct, the Committee submitted, to take such wholesale cash prices less duty paid as the "real value" for the purpose of assessing similar goods to duty. The prices so published very frequently included considerable post-importation charges, *e.g.*, in respect of storage, insurance, interest, provision for breakage, depreciation, etc., which should also be deducted to arrive at "the price for goods as they are both at the time and place of importation."

The Committee suggested that the Associated Chambers should again represent this matter to the Government of

India on the lines indicated above, and should point out that Government's reply given in the letter from the Secretary, Central Board of Revenue, appeared merely to evade the issue.

In the meantime the Collector of Customs at Calcutta in replying to a representation from the Calcutta Import Trade Association stated that "the question raised has been and is being considered carefully but in view of the wording of section 30 of the Sea Customs Act it is felt that no modification in the general attitude of the Customs Department is possible. The case of particular commodities will, however, be reviewed from time to time."

The Committee of this Chamber decided to drop the matter temporarily but members were asked to make notes and advise them from time to time of instances in which they felt that sub-section (*a*) of section 30 of the Sea Customs Act had been made use of unduly with a view to the Chamber re-opening the discussion when this appeared desirable.

SECTION 32 OF THE SEA CUSTOMS ACT.

In December 1933 the Committee addressed the Central Board of Revenue in regard to the rights of an importer under paragraph 3 of section 32 of the Sea Customs Act. The Committee pointed out that the view held and expressed by the Chamber for many years past had been that the application of section 32 was imperative, *i.e.* that if imported goods were alleged by the Customs authorities to be under-valued for duty purposes, the Customs authorities were bound either to deliver the goods to the owner on payment of the duty charged according to the value declared in the bill of entry or to pay to him the declared value of the goods and to retain the goods for the use of Government. On the other hand the Customs authorities appeared to hold that

section 32 was purely permissive, and that in the case of under-valuation of *ad valorem* goods they had the right to proceed under other sections of the Act, *e.g.* sections 87, 88, 89 and 167 Clause 37(*c*).

The Committee asked the Central Board of Revenue for an authoritative ruling on this point, and enquired what interpretation the Board placed on the law in this respect. The Committee also asked that they might be furnished with the Board's reasons for any view they might express.

CLEARANCE OF GOODS THROUGH THE CUSTOMS.

It was brought to the notice of the Chamber in February 1933 that it was the practice for shipping companies at this port to lodge with the Customs a complete manifest usually from 12 to 24 hours after the steamer's arrival and in this respect the system differed from that operating in Rangoon and Calcutta where the steamer's manifest was usually lodged with the Customs some few days prior to the steamer's arrival. It was pointed out that the latter practice had many advantages from the importer's point of view, as he was able to have Bills of Entry noted and, when in possession of complete documents, the goods appraised for duty and duty paid (when examination was dispensed with) prior to the arrrival of the steamer. It also tended to relieve congestion in the Appraising Department of the Customs and any delay in that Department did not mean delay in clearing the goods of an importer who received shipping documents early. The system of passing Customs documents prior to the arrival of the steamer was also helped by the new system of second examination introduced by the Customs, *i.e.* examination after payment of duty.

It was represented that the system of lodging a steamer's manifest prior to the arrival of a steamer had not in the past been generally adopted in Bombay as the mail bringing the Agents' copy of the manifest arrived about the same time as the steamer, but in Calcutta and Rangoon the mail reached these ports ahead of the steamer. With the more rapid transit of mail by air there appeared to be no reason as far as could be seen why the steamer agents in Bombay should not adopt the system of those ports.

The Committee took up the matter with the various steamer agents in Bombay and in addressing the Collector of Customs subsequently pointed out that it was possible that the steamer agents would take greater advantage of the "Prior to Entry" system were it not for the fact that they might be mulcted in payment of fees and penalties for errors and omissions in the supplementary manifests. The Committee further pointed out that several steamers brought cargo for Kathiawar ports and optional cargo and consignees of the latter were required to declare the port of discharge before the steamer's arrival but it frequently happened that declarations were made at the last minute and if these intructions were received by the Steamer Agents after the Manifests were lodged, the Customs would not allow amendments as they considered they were entitled to duty once the cargo was manifested. Unless the Customs regulations in this respect were altered it was anticipated that there would be endless trouble with importers.

The Committee suggested for the consideration of the Collector that the existing regulations might be amended in order that in cases where manifests were lodged prior to entry of the steamer concerned no fees should be charged for amendments until the complete manifest was lodged

and, further, that the free allowance hitherto granted of 10 per cent. amendments of the total items manifested should be continued.

The Collector in reply quoted No. 10 of the Rules governing the procedure for Prior to Entry of Vessels reading as follows :—

"(10) No fees shall be charged for filing an amended or supplementary manifest prior to the formal orders for inward entry. For amending or supplementing manifests, after such order has been given, the usual fees shall be charged."

The Collector added that such amendments would include the amendment of the destination of cargo from "local" to "transhipment" or *vice versa* so that, apparently, the Rules already provided for the contingency mentioned above.

In forwarding to the steamship agents copies of the letters that had passed between the Collector of Customs and the Chamber the Committee stated that in their opinion the interests of importers would be furthered if steamer agents were to lodge their manifests as early as possible and in this connection the Committee suggested that arrangements might also be made to grant delivery orders, subject to the safe arrival of the steamer in Docks.

OTTAWA TRADE AGREEMENT.

AMENDMENT OF TARIFF ACT.

(*See Report*, 1932, *page* 140).

A Bill was introduced in the Legislative Assembly on the 16th March 1933 which had for its object the amendment of the Indian Tariff Act, 1894, in order to supplement the Indian Tariff (Ottawa Trade Agreement) Supplementary Act, 1932. In the statement of objects and reasons attached to the Bill it was mentioned that a few inaccuracies and

discrepancies in the latter Act had been brought to light by a further scrutiny of the Schedules to that Act and by practical experience of the new tariffs, and the object of the Bill was to correct them.

The Bill was passed by the Legislative Assembly on the 3rd April and by the Council of State on the 7th April 1933.

OTTAWA TRADE AGREEMENT.

IRON AND STEEL.

The following notification was issued by the Department of Commerce of the Government of India on the 31st December 1932 and is reproduced here for purposes of record.

N. 780-T. (11).—In exercise of the powers conferred by sub-section (6) of section 3 of the Indian Tariff Act, 1894 (VIII of 1894), and in supersession of the Notification of the Government of India in the Department of Commerce, No. 260-T. (80), dated the 12th March 1927, the Governor General in Council is pleased to prescribe the following as the conditions subject to which an article of iron or steel shall be deemed to be of British manufacture for the purposes of sections 3 of the said Act and of the Second Schedule thereto, namely:—

(*i*) In the case of articles other than galvanized iron or steel sheets, the Customs Collector shall be satisfied that in the production of the article or of any part thereof (other than a component part which, if it had been imported separately, would not have been liable to protective duty under Part VII of Schedule II to the said Act) no process of manufacture other than a process antecedent or incidental (*a*) to the production of steel blooms, billets or sheet bars if the article is an article of steel, (*b*) to the production of the puddled ball or to the preparation of the pile for welding if the article is an article of iron has been carried out elsewhere than in the United Kingdom of Great Britain and Northern Ireland.

(*ii*) In the case of galvanized iron or steel sheets, the Customs Collector shall be satisfied that in the production of the article no

process of manufacture subsequent to the production of sheet bars has been carried out elsewhere than in the United Kingdom of Great Britain and Northern Ireland.

OTTAWA TRADE AGREEMENT.

Copper Braziers.

Under the Indian Tariff (Ottawa Trade Agreement) Amendment Act which implemented the agreement arrived at between the Government of India and His Majesty's Government in the United Kingdom at the Imperial Conference at Ottawa in July 1932, the general duty on copper sheets, plates and sheathing was fixed at 30 per cent. *ad valorem* while a preferential duty on United Kingdom goods was fixed at 20 per cent. In the case of copper braziers, however, the duty was fixed at 25 per cent. *ad valorem* irrespective of the country of origin of the goods. It was represented to the Chamber by a member in February 1933 that the terms "copper sheets" and "copper braziers" were used indiscriminately by dealers to indicate copper sheets and unless a correction was made in the tariff all non-British copper sheets would be imported as braziers.

In the meantime, however, the Committee were informed by another member that as a result of a reference to the Collector of Customs the latter had stated that the Central Board of Revenue had ruled that all copper material in sheet form of the description similar to what had during the current financial year been entered and declared as sheets must be so entered now. This meant that the material in question would be assessable under the Tariff Number 196 at the preferential rates. The Collector stated, further, that all such material had during the current financial year been entered as sheets and not as braziers.

OTTAWA TRADE AGREEMENT.

INVOICES.

In March 1933 the Committee invited the attention of the Government of India to the following clause which had to be signed by the shipper of goods for which entry into India at preferential rates was claimed under the Ottawa Agreement.

"That no different invoice of the goods mentioned in the said invoice has been or will be furnished to any one; and that no arrangement or understanding affecting the purchase price of the said goods has been or will be made or entered into between the said exporter and purchaser, or by any one on behalf of either of them either by way of discount, rebate, compensation or in any manner whatever other than as fully shown in this invoice or as follows (5)....."

It had been represented to the Committee that the preparation of invoices on this basis might necessitate a considerable alteration in the current commercial practice in India particularly in the case of goods where the manufacturer's invoice was handed to the Indian sub-buyer and an agency commission was subsequently paid to the manufacturer's representative in India. In the piece-goods trade also it was understood to be a common and legitimate practice for shippers to reserve some return commission on the invoices.

It appeared therefore that the clause as it stood might prove a source of embarrassment to merchants and the Committee asked Government that they might be furnished with an explanation of the meaning and intention of the clause as they were not quite clear as to its necessity.

The Central Board of Revenue, to whom the Chamber's letter was sent for disposal, informed the Chamber in reply that the above clause was taken from the form of combined certificate of value and origin which was prescribed by the Board's Press Communiqué, dated the 5th of May 1927, for

use in connection with the differential duties imposed by the Steel Industry (Protection) Act, 1927. No objection had been taken to the form in the interval.

Reading the paragraph as a whole, it should be clear that it referred only to the transaction between the exporter and the purchaser; and it would be natural to treat the expression "purchaser" as referring to the actual buyer to whom the invoice and certificate were made over for presentation to the Customs. Thus in the case described by the Chamber the party called "the Indian sub-buyer" would be the purchaser. The payment of an agency commission subsequently to the manufacturer's representative in India did not appear to the Board to be an arrangement or understanding entered into between the exporter and the purchaser or by any one on behalf of either of them within the meaning of the paragraph in question. If, on the other hand, there was an arrangement between the exporter and the purchaser himself which modified the invoice price, there was nothing to be kept secret from the purchaser and therefore there was no reason to prevent the exporter from filling the necessary particulars at the point numbered (5) in the form.

The Central Board of Revenue added that apart from the experience of seven years in connection with iron and steel goods, the Board had received no representation from any Collector of Customs that since the Ottawa Trade Agreement Act came into force any difficulty had been felt. It suggested that if the Chamber still apprehended that embarrassment might be caused it should discuss the case in detail, with practical illustrations, with the local Collector of Customs, who would be ready to represent the case to the Board if he found that the difficulties could not be solved without the Board's orders.

The Committee accordingly quoted to the Collector of Customs, Bombay, the following two cases which related to normal commercial practice that was interfered with by the new invoice regulations. The Committee pointed out that neither of these injured Government revenues in any way.

(1) An English manufacturer sells direct (as principal to principal) to an Indian representative. Invoices include 5% commission to the representative, payable quarterly. Separate invoices are sent for each individual order and these are passed on to dealers.

The manufacturer, however, cannot sign the invoice declarations which says that no arrangement affecting the price, etc.....has been made with the purchaser.

(2) An English piece-goods shipper adds 1% commission, also returnable quarterly, in his invoices to a European importing house, who buy as principals. The purpose of this is to prevent the actual purchase price being known to dealers who may be consulted by Customs appraisers in their endeavour to ascertain the correct market value for assessment.

Here also the shipper is asked to sign a statement which is not in accordance with the facts.

The Committee asked for the views of the Collector of Customs on the whole question.

The Collector in reply pointed out that the only way out of the difficulty mentioned, which he could suggest and which would satisfy the requirements of his Department, would be for the exporter to add, in such cases, at the blank space marked (5) "by way of return commission" or "by way of commission note", without specifying the actual amount. It would then be open to his Department, if it was deemed necessary, to call for further particulars.

OTTAWA TRADE AGREEMENT.

Imports of Rum.

A member asked the Chamber in November 1933 to take up with the Government of India the question of the

admission into this country, at the preferential rate of duty applicable to Colonial products, of Rum shipped from the Colonies to India *via* London.

It appeared that the Rum in question was the produce of Jamaica, was shipped to the United Kingdom in bulk and was subsequently reduced in strength bottled and reshipped to India. These shipments were accompanied by Certificates of Origin signed by the Shippers as suppliers (Form "A") or signed by the British Customs Authorities. Until the month of May 1933, these certificates were accepted by the Bombay Customs House and the goods were passed at the preferential rate of duty, but importers were requested subsequently to refund the difference between the standard rate and the preferential rate at which the duty had been recovered on such shipments. The Bombay Customs authorities insisted that in order to obtain the advantage of the preferential duty under the Ottawa Agreement, the Rum must not only be the produce of a British Colony but be consigned direct from such Colony to British India, or with transhipment only in the United Kingdom. The member stated that this was not possible owing to the comparatively small trade with this country and to the lack of proper facilities at Jamaica; further, it appeared that it was not practicable for certain specified casks to be retained in the United Kingdom Bond Houses and eventually utilized solely for shipment to India.

A somewhat similar question had been taken up by the Bengal Chamber with the Government of India earlier in the year and the latter informed the Bengal Chamber that under the instructions which the Central Board of Revenue had issued to Collectors, there should be no insurmountable difficulty in securing preferential rates of duty in respect

of Colonial goods entitled to preference coming into India *via* the United Kingdom without undergoing a further process of manufacture or refinement. As regards articles imported into India after undergoing any process of manufacture in the United Kingdom, the Government of India had explained that the conditions laid down in rule 4(*iii*) of the Ottawa Trade Agreement Rules were inserted intentionally, and Government were not prepared to amend the rules so as to permit such goods to enjoy a larger benefit than was intended by the United Kingdom-India Trade Agreement in the application of which the United Kingdom and the Colonial Empire must obviously be treated as separate entities.

After consulting with the Bengal Chamber the Committee formed the opinion that no good purpose would be served by their making a representation to the Government of India and the member was informed that they proposed to take no action.

OTTAWA TRADE AGREEMENT.

Certificates of Origin for imported goods.

In August 1933 the Collector of Customs informed the Chamber that the Central Board of Revenue had under consideration the question of issuing instructions requiring that an additional copy of certified invoices (*i.e.*, invoices bearing a certificate of origin on their reverse) covering goods on which preference was claimed under the Ottawa Trade Agreement Rules, 1932, should be demanded from importers for retention in the Custom House along with the relative bill of entry. He accordingly enquired whether the Chamber would view this suggestion favourably. In this connection, the Collector pointed out that this procedure would not only assist the Custom House to guard against fraudulent claims

for preference, but would protect importers of genuine Empire goods against fraudulent competition. The Collector also made it clear that while the proposal contemplated the early introduction of the procedure, it was the intention of the Board to allow ample time to importers who were not in a position to comply with the requirements immediately.

The Collector asked for the views of the Chamber on the question.

After consulting the Import Sub-Committee, the Committee informed the Collector that they had no objection to the proposal, but suggested that a definite period of notice, say three months, should be given before the new procedure was brought into force.

The following Notice was issued by the Collector of Customs on the 18th December 1933 :—

"The Central Board of Revenue has directed that an additional copy of certified invoices covering goods on which preference is claimed should be demanded from importers at the time of presentation of the relative bills of entry, for retention by the Custom House. It is therefore hereby notified, under Section 29 of the Sea Customs Act, that an additional copy should be tendered with the bill of entry.

Importers should, therefore, arrange with suppliers to send an additional copy of such invoices for filing in the Custom House.

For a period of three months, however, locally prepared copies will be accepted in lieu of copies signed by the supplier or manufacturer, where these are not available."

OTTAWA TRADE AGREEMENT.

CERTIFICATES OF ORIGIN FOR GOODS SHIPPED FROM "BRITISH INDIA."

(*See Report* 1932, *page* 149.)

It was mentioned in the Report for 1932 that the Chamber had asked the Government of India for a clear definition of

"British India" for purposes of certificates of origin, which had to be furnished in respect of exports from India to the United Kingdom in order to obtain the benefit of the British preferential tariff.

The Government of India in reply intimated that they had been informed that for the purpose of securing the benefit of the preferential rates of duty leviable in the United Kingdom the term 'British India' was regarded by His Majesty's Commissioners of Customs and Excise in that country as including the Indian States. The use of this term was required on certificates of origin accompanying imports into the United Kingdom merely because it conveniently distinguished between the Indian Empire and foreign settlements in India.

OTTAWA TRADE AGREEMENT.

CERTIFICATES OF ORIGIN FOR GOODS SHIPPED VIA MARMAGOA.

The attention of the Chamber was drawn in November 1933 to the difficulties experienced by producers and shippers in British India in respect of their produce shipped to the United Kingdom *via* Marmagoa.

The British Customs regulations laid down that in cases where Empire produce was shipped to the United Kingdom, *via* a foreign port, it was essential to prove that the goods at the time of despatch were intended for consignment to the United Kingdom and not to a foreign country from which they were subsequently re-consigned. The apparent intention of the law was to prevent goods being consigned to a foreign country and ultimately re-exported to the United Kingdom in cases where it was found that the goods could not be taken into consumption in the foreign country concerned, or, in other words, to prevent dumping of merchandise

into the United Kingdom when it was the original intention that such merchandise should be consumed in another country altogether.

So far as Marmagoa was concerned the port acted as a port of shipment for goods produced in British India, but even though the prescribed certificate of origin, Railway consignment note from the place of origin to Marmagoa, Customs certificate of arrival at and shipment from Marmagoa viséed by the British Consul at Marmagoa and the invoice from the shipper of the goods, were produced, the Customs authorities in the United Kingdom might, and frequently did, demand further evidence of origin and/or intention to ship to the United Kingdom. Concrete instances were brought to the notice of the Chamber in which the British Customs authorities had refused to allow goods to be admitted at the preferential rate on the ground that additional evidence of origin and/or intention to ship to the United Kingdom was required. From information furnished to the Committee it appeared that there had been cases in which, when all other evidence tendered had been rejected, importers in the United Kingdom had gone to the length of providing sworn affidavits of origin and intention to consign. Even these affidavits had not been accepted, while at the same time the British Customs authorities had given no assistance whatever in regard to the nature of any further evidence they considered necessary.

In addressing the Government of India in the matter the Committee stated that in their opinion the Customs authorities in the United Kingdom should be asked to state exactly what they required in this respect. The Committee expressed a hope that the Government of India would take the matter up strongly with His Majesty's Government in the United

Kingdom as they felt that it was never the intention of the law to penalise Indian producers and shippers merely because the natural outlet for their goods lay through a port in Portuguese India.

INDIAN LINSEED.

Preference on Imports in the United Kingdom.

Towards the end of June 1933 the Government of Bombay forwarded to the Chamber copies of a letter that had been received from the Imperial Council of Agricultural Research drawing attention to the importance of the tariff preference of ten per cent. which had been secured for Indian Linseed in the United Kingdom and to the need for developing to the fullest possible extent the advantages arising out of the preference. Copies of the letter and of its accompaniments were duly circulated among members interested in the export of linseed.

INDIAN GROUNDNUTS.

Preference on Imports in the United Kingdom.

In June 1933 the Government of Bombay forwarded to the Chamber copies of a letter that had been received from the Imperial Council of Agricultural Research giving cover to an extract from the Report of the Indian Trade Commissioner, London, during 1926-27 and 1927-28 on the trade in Indian groundnut.

The Imperial Council of Agricultural Research pointed out that the statistics of the imports of groundnuts into the United Kingdom during the years 1927-31 showed that

the United Kingdom market for this commodity was both an important one and was likely to expand. During 1932, there had been a falling off in Indian exports of groundnuts to all countries and in the imports by the United Kingdom from all countries, but it was hoped that this was only temporary.

The Council desired that the importance of the preference of 10 per cent. which India had secured on the imports of Indian groundnuts in the United Kingdom market as a result of the Ottawa Agreement and the desirability of taking free advantage of it, especially at the present time when continental purchases of Indian groundnuts were restricted, might be brought to the notice of all concerned.

It was understood that the competition with West African groundnuts was getting keener due to increasing production. It was important therefore that the quality of Indian groundnuts should be maintained at the highest possible level and that shelling should be carefully done. Particular attention was invited to the harm caused by damping or so-called water shelling which led to an increased free fatty acid content.

The Report of the Indian Trade Commissioner on the trade in groundnuts read as follows :—

"In earlier reports I have referred to the investigation ordered by the Empire Marketing Board, at my request, into the condition in which Indian groundnuts are marketed in this country. It is generally known that the Indian practice of damping the groundnuts leads to loss of condition on the voyage, and particularly the setting up of free fatty acids. It was difficult, however, to form any practical estimate of the damage involved and the losses to Indian cultivators which might be overcome if better methods of decortication could be introduced. The enquiry was stimulated by our researches on the Margarine Sub-Committee of the Imperial Economic Committee.

The Empire Marketing Board have completed this investigation and I attach the statistics which they have kindly prepared for me. They cover all shipments from India to all destinations in Europe during each of the two months, December 1926 and Januray 1927. As samples from all consignments, whatever the port of destination in Europe, are forwarded to the Incorporated Oilseeds Association, in order that they may prepare their standard sample for the month, it was not difficult to arrange that they should be chemically analysed for fatty acid contents. You will see, therefore, that the investigation has been very carefully and thoroughly carried out, and is genuinely representative of India's shipments to Europe.

The statistics show that the average free fatty acid content per cent. of crude oil extracted from the kernels is highest for the Madras coast. Bombay kernels show the least deterioration, and also Coromandel kernels from Bombay and Mormagoa, and Khandesh kernels from Mormagoa come between the two.

If you take the Madras kernels as containing an average 4 per cent. of free fatty acids, you have a charge of about £2 10s. per ton of oil for extraction and a loss of £14 in the sale of free fatty acids, as compared with the price obtained for the refined oil. Taking Madras exports at 300,000 tons of kernels annually, the cost of extracting free fatty acids amounts to about £300,000, and the loss in the value of the free fatty acids, as compared with the refined oil, adds another £84,000 making nearly £400,000 lost in all."

The above report and the statistics referred to in it as well as those relating to the import trade of the United Kingdom in groundnuts were placed at the disposal of members of the Chamber interested.

DUTY ON ARTIFICIAL SILK PIECEGOODS AND ARTIFICIAL SILK MIXTURES.

In October 1933, the attention of the Chamber was drawn to the fact that the Customs authorities in assessing artificial silk piecegoods and artificial silk mixtures calculated

duty according to the superficial area of the goods with the result that disputes were continually arising in cases where the width of the cloth was greater than that contracted for and specified in the invoices, as the buyers on c.i.f. terms objected to paying a larger amount of duty than they would have had to pay had the goods been of the exact width contracted for.

It was pointed out to the Committee that it was very difficult, if not impossible, for manufacturers to keep cloth of this description to an exact width, and further the measurement of the width of light cloths of this nature was likely to vary under different conditions and when undertaken by different people. That these and similar difficulties in regard to length existed was recognised in the Merchandise Marks Manual and the Committee suggested for the consideration of the Collector that when the width was stamped on artificial silk fabrics the Customs authorities should ignore for duty purposes any excess width, provided this did not exceed the latitude laid down in the Merchandise Marks Manual. The Committee asked the Collector to represent the trade point of view in this matter to the Central Board of Revenue in order that an all-India ruling might be obtained.

The Collector of Customs in reply stated that for purposes of assessment at the specific rate under Item 119A/45 or 125/45A of the Indian Customs Tariff (8th issue) the number of square yards had to be arrived at by taking actual measurements. Several pieces were measured after unrolling. They were not measured "in the bolt." Five or six measurements were taken at different points in the piece and then an average was struck. This average width was used in calculating the square yards of the cloth.

On a representation, however, that such cloth was never of the exact length or width as contracted for and invoiced, that the trade did not recognise such slight variations and that there might possibly be errors in measurement, the matter was referred to the Collectors of Customs at other ports and to the Central Board of Revenue. After considering the replies given by all the ports, the Central Board of Revenue decided that differences up to $\frac{1}{4}''$ between the declared and the ascertained widths might be ignored. Where the excess came to more than $\frac{1}{4}''$ duty should be charged on the total excess and not only on that in excess of the allowance. A copy of the Board's Ruling in this connection (which is quoted below) was forwarded by the Collector who added that the existing practice in this respect was according to this ruling.

As regards the Committee's reference to the Merchandise Marks Manual the Collector pointed out that the allowances made under the Merchandise Marks Act were not applicable for purposes of assessment to duty. The latitude allowed by the Merchandise Marks Act was for shorter width than the width actually stamped whereas for purposes of assessment to duty the latitude was in respect of excess width ascertained.

Ruling of the Central Board of Revenue No. 647 *dated* 13*th September*, 1933.

Insert the following new item after item 118/63A :—

Item 119*A*/45. '*Artificial silk piecegoods.*'

Arising out of this question an enquiry was received from a member as to who was liable for increased Customs Duty that had been levied on artificial silk goods on account of the width of the supply being in excess of the width contracted for.

After consulting the Import Sub-Committee the Committee informed the member that in their opinion the extra duty was no concern of the buyer and as the goods were not of the dimensions specified in the contract the responsibility for the extra duty must be with the shipper.

IMPORT DUTY ON COTTON AND WOOLLEN MIXTURES.

The Committee addressed the Central Board of Revenue early in August 1933 pointing out that their attention had been drawn to a Customs ruling under which woollen piecegoods containing more than 15 per cent. cotton, and cotton piecegoods containing more than 15 per cent. wool, instead of being assessed to duty under Import Tariff Serial No. 122A, Statutory No. 238 and Serial No. 120, Statutory No. 150, respectively were assessed to duty under Serial No. 123, Statutory No. 100 " All other sorts of yarns and textile fabrics not otherwise specified."

The following statement indicated the anomaly created by the ruling :—

Wool.	Cotton.	Classified as	Duty.	
			United Kingdom Goods.	Foreign Goods.
85 per cent.	15 per cent.	Wool	25 per cent.	35 per cent.
84 ,,	16 ,,	Other Textiles. ..	25 ,,	25 ,,
16 ,,	84 ,,	Other Textiles. ..	25 ,,	25 ,,
15 ,,	85 ,,	Cotton	25 ,,	75 ,,

The Committee were unable to understand why the above distinction had been made. They felt that mixtures of cotton and wool should be assessed to duty either as cotton

piecegoods or woollen piecegoods and that the intermediate class created by Customs Instruction No. 1 of 1933 should be discontinued. They recommended that the distinction between cotton and woollen piecegoods should be so drawn that mixtures of cotton and wool containing 50 per cent. or more cotton should be classed as cotton goods and less than 50 per cent. cotton as woollen goods.

The Central Board of Revenue while recognising the anomaly did not feel justified in adopting the remedy suggested by the Chamber.

The Committee thereupon again addressed the Central Board of Revenue and mentioned that the Board had apparently overlooked one aspect of the matter, *viz.*, that by issuing Customs Instruction No. 1 of 1933 it had by executive action virtually done away with the Ottawa Preference on woollens as it would only be necessary for non-British manufacturers to insert a small additional percentage of cotton in woollen mixtures to make the latter assessable under item No. 123-100 of the Indian Customs Tariff. Similarly the action taken by the Board had also made it possible for the protective duties on cotton goods to be circumvented.

The Central Board of Revenue in reply stated that it had not overlooked these two aspects of the case but felt that the mere cancellation of the Instruction would not remedy the anomalies which had been created by the present form of the Tariff, nor could the Board regard the solution which the Chamber proposed as one which would be legal so long as the Tariff remained in its present form.

Towards the end of the year the Government of India published a Bill further to amend the Indian Tariff Act

which proposed, *inter alia* to leavy the duty on woollen goods as under :—

No. in the Statutory Schedule.	Names of articles.	——	Standard rate of duty.	Preferential rate if the article is the produce or manufacture of the United Kingdom.
238 A	Woollen Hosiery and woollen knitted apparel, that is to say, all hosiery and knitted apparel containing not less than 15 per cent. of wool by weight.	*Ad valorem.*	35 per cent. or eighteen annas per lb., whichever is higher.	25%
238 B	Woollen piecegoods containing not less than 90 per cent. of wool by weight.	*Ad valorem.*	35 per cent. or eighteen annas per lb., whichever is higher.	25%
238 C	Woollen mixtures, that is to say, piecegoods containing less than 90 per cent. and not less than 15 per cent. of wool by weight.	*Ad valorem.*	35 per cent. ..	25%

ASSESSMENT OF WOOLLEN GOODS TO CUSTOMS DUTY.

In January 1933 a member informed the Committee that they had some difficulty in getting their woollen shipments passed by the Bombay Customs since the latter assessed on market values instead on "landed cost." This procedure, it was alleged, often involved delay and moreover it was more than questionable whether the method of assessment of Woollen Fancies for which no market price existed in the sense of standards could accurately be ascertained by the appraisers.

The member drew attention to the resolution in this connection that was adopted at the annual meeting of the Associated Chambers of Commerce at Calcutta and enquired whether any steps had been taken in the meantime with the Collector of Customs in order to have the method of assessment altered.

The Committee in reply stated that the resolution adopted at the recent annual general meeting of the Associated Chambers, at the instance of this Chamber, to which the member referred, had, it was presumed, been brought to the notice of the Government of India. No member of the Government was present at the annual meeting to deal with the particular resolution and no further action could be taken pending receipt of a reply from Government. The Committee pointed out, however, that there was no suggestion that the law in force should be altered nor did the resolution relate to the existing system of assessing piecegoods to duty, as usually the wholesale cash price of the like kind and quality of such goods was readily ascertainable in accordance with section 30A of the Sea Customs Act.

The Committee added that in regard to the question of delay in the passing of goods it had been found that such delays generally a rose through incorrect values being declared in the Bills of Entry and that the appraisers were not as a rule unreasonable.

DUTY ON IMPORTED PIECEGOODS.

Allowance for Tare.

(*See Reports* 1930, *Vol. I, page* 94; 1931, *Vol. I, page* 128; 1932, *page* 129).

It was mentioned in the Chamber's Report for 1932 that as a result of correspondence between the Chamber

and the Collector of Customs the latter had agreed to maintain complete statistics of the imports of Jaconets for a further period of 12 months with a view to ascertaining whether or not the existing scale of allowances for tare for import duty purposes was sufficient.

Intimation was received from the Collector of Customs in February 1933 that as a result of the further tests he did not consider that any modification in the scale of tare allowances was necessary and that the scale of tare allowance for Jaconets would accordingly remain, as hitherto, at 5 per cent.

"FLANNEL" AND "UNION FLANNEL."

Meaning of Terms.

In August 1933 the Director-General of Commercial Intelligence and Statistics enquired as to what interpretations were attached by the trade to the terms "flannel" and "union flannel." He particularly asked whether the term "flannel" which generally denoted pure woollen material was also used in the trade to designate a fabric which was a mixture of cotton and wool. Similarly, whether the term "union flannel" which was well-known in the United Kingdom as applicable to a mixed fabric was equally known in this country as denoting fabrics made of wool and cotton.

After consulting the Import Sub-Committee the Committee in reply stated that while in their opinion it would be preferable for the term "flannel" to be used only for all wool goods, in practice it was not, and cloth with 30—40 per cent. of cotton would in the Indian trade be termed "flannel" without any qualification. In low varieties of "flannel" cotton had tended to become the predominant factor. The Committee added that the term "Union Flannel" might

be known to some extent in the Indian market, but it was not, in their experience, a trade description in common use in Bombay.

IMPORTS OF PIECEGOODS IN FENT LENGTHS.

In June 1933 the Committee drew the attention of the Collector of Customs to the fact that certain importers of Japanese cloth were inviting offers for Japanese piecegoods to be shipped in fent lengths, *i.e.*, ordinary grey shirting, whites, prints or artificial silks to be cut into pieces of 8 or 9 yards and invoiced as fents. It was presumably hoped that by this procedure duty would be paid at 25 per cent. *ad valorem* instead of 75 per cent. which would be levied if the goods were shipped in the customary lengths of say, 30 or 40 yards.

In bringing the matter to the Collector's notice, the Committee enquired whether under the present Customs regulations adequate machinery existed for dealing with such a contingency and they also suggested that a strict watch might be kept on shipments of Japanese fents.

The Collector in reply stated that two cases had been noticed at this port where Japanese piecegoods had been cut into lengths of " under 9 yards" and invoiced as " Fents." In both cases the declaration was not accepted and the importers were penalised.

In this connection, the Collector quoted the following definition of the term " Fents" issued by the Central Board of Revenue on 10th May 1933, with a view to dealing with cases of the type to which the Chamber had drawn attention :—

" The term fents referred to in entries No. 45, No. 45A and No. 158 of the Statutory Import Tariff applies only to job lots of varying lengths and sizes, rejected by the mills on account of their defective

weaving or dyeing or other substantial damage. Such fents would invariably be bundled (as distinct from the packing adopted for piece-goods) and invoiced by the weight."

The Collector added that imports of Japanese fents were being carefully scrutinised.

ASSESSMENT OF FENTS TO CUSTOMS DUTY.

The following Notice was issued by the Collector of Customs on the 18th September 1933 and is reproduced here for purposes of record :—

Under instructions from the Central Board of Revenue, the public are hereby informed that the provisions of Section 21, Sea Customs Act, will be applied to fents which include pieces of silk or artificial silk as well as pieces of cotton. If, however, a consignment is so invoiced as to enable separate assessment to be made of the pieces dutiable which are dutiable at different rates, such assessment will be made, for the present, if the importer is prepared to have the consignment opened and checked in detail, otherwise the highest rate of duty applicable will be levied. Importers are accordingly advised to instruct suppliers to pack separately fents liable to different rates of duty.

VALUATION OF FENTS.

In September 1933 the Director-General of Commercial Intelligence and Statistics asked for the views of the Chamber on a proposal to fix tariff values for the following kinds of fents :—

Statutory Item No.		
45A.	Fents of silk mixtures or of artificial silk mixtures, of not more than 9 yards in length ..	Tariff value per lb.
100	Cotton fents of not more than 9 yards in length	,, ,, ,, ,,
133	Fents of artificial silk of not more than 9 yards in length—	
	From Japan	Tariff value per lb.
	From other countries	,, ,, ,, ,,
238	Woollen piece-goods of not more than 9 yards in length ..	,, ,, ,, ,,

The Committee replied that while they were of opinion that it would be desirable to have tariff values for fents they did not consider the proposal practicable. Some cotton fents, for example, were five or six times as valuable as others and the Committee were unable to see how it would be possible to arrive at an equitable basis of valuation.

At a later date the Committee again addressed the Director-General and stated that while still fully conscious of the difficulty that might be experienced in arriving at an equitable basis of valuation they desired to make it clear that they were in no way opposed to the suggestion of tariff valuations in view of the malpractices which they believed to be rife at the moment and of which they understood that Government were fully aware. The Committee added that on the contrary if a practicable basis for the introduction of tariff valuations could be devised they would wish strongly to support it.

COTTON TEXTILE INDUSTRY PROTECTION ACT.

(*See Reports* 1929, *Vol. I, page* 115; 1930, *Vol. I, page* 87; 1932, *page* 131).

A Bill was passed by both Houses of the Legislature in March 1933 (Act IV of 1933) extending to 31st October 1933 the protection to the Indian Textile Industry granted under Act XVII of 1930 up to 31st March 1933. A further Bill was passed in September 1933 (Act XX of 1933) extending the protection to 31st March 1934.

ANTI-DUMPING LEGISLATION AND INDO-JAPANESE TRADE NEGOTIATIONS.

(*See Report* 1932, *page* 137).

It was mentioned in the report for 1932 that a resolution was moved by the delegate of this Chamber and adopted

unanimously at the annual general meeting of the Associated Chambers of Commerce of India in regard to the initiation of anti-dumping legislation. In the course of his remarks in the discussion on the subject of the resolution, the Hon'ble Sir George Schuster, Finance Member, pointed out the difficulties from the point of view of the Government of India, in the way of introducing the required legislation and indicated that, in order to enable Government to consider the matter, it would be necessary for the Chambers to put up a convincing case supported by facts and figures. In again addressing the Government of India on the subject in March 1933 the Committee said that they understood that a mass of material bearing on the subject had been forwarded to the European Group in the Central Legislature and that a very large number of representations had been submitted direct to Government from various indigenous industries which found themselves hard hit to the point, in some cases, of threatened extinction, by the dumping of goods from Japan and other countries whose depreciated currencies allowed them to flood the Indian market with goods at entirely uneconomic prices. The Committee did not therefore wish to burden their letter with a recapitulation of facts and figures with which Government must by this time be only too familiar. They merely wished to lend the weight of their support to the growing demand for protection against unfair competition, for they felt that the continued failure of the Government to take action might seriously shake confidence in industrial undertakings generally and set back India's industrial progress. The Committee did not wish to specify the form the protection should take beyond suggesting that the Government of India should assume in broad terms the powers taken by His Majesty's Government in the United Kingdom and in the Dominions as well as by a number of foreign Governments.

It had been suggested that having adopted a policy of discriminating protection on the report of the Fiscal Commission, Government were precluded from granting protection to industries which had not qualified for it after enquiry by the Tariff Board. The Committee had no quarrel with the policy of discriminatory protection which was based on perfectly sound economic principles. The present situation could not, however, be met by strict adherence to economic principles suited to normal economic conditions. Enquiry by the Tariff Board took at least six months to fructify and its machinery was unsuited to the conditions of economic war which prevailed at the moment. An abnormal situation had arisen and exceptional measures were required to meet it and the Committee again very earnestly pressed Government to take appropriate action before it was too late.

As regards the cotton textile industry, the Committee understood that the Millowners' Association had recently asked the Government of India for further protection against the excessive imports of Japanese piecegoods into India made possible by the further depreciation in value of the Yen, namely, from 106 to about 80, since the Tariff Board framed its emergency report. The special protection given in August 1932 had altogether failed to achieve the purpose for which it was imposed, and Japanese goods had been imported into India in abnormal quantities and sold at uneconomic rates during the last six or seven months. The prices at which forward business had recently been booked were, the Committee understood, if anything even lower. On this subject Government had doubtless been furnished with full information by the Millowners' Association and the Committee merely recorded their view that, having regard to the importance of the textile industry in the economic life of India, the Association's demand for additional and adequate

special duties might be given prompt and sympathetic consideration.

The Committee had noted that their recommendation for a specific duty of 4 annas per square yard on artificial silk piecegoods had been adopted by the Finance Member in his Budget proposals which, however, apart from that tax and the proposal for a minimum specific duty on boots and shoes, did not foreshadow any measures of relief for distressed indigenous industries. If it was feared that such measures might react prejudicially on the Government's financial position the Committee stated that in their opinion excessive reliance appeared to be placed at present on the customs revenue and that any losses under that head would be more than offset by increased receipts from income-tax and railway earnings and the reduction of unemployment among the industrial classes. The Committee therefore deemed it necessary to address a further representation to Government urging very seriously that no more time be lost in devising and putting into effect appropriate measures for the protection of the textile industry in particular and other industries in general, for which they were confident that legislative sanction, in so far as it might be required, would be readily forthcoming.

A Bill was introduced in the Legislative Assembly on 8th April 1933 which was intended to provide for the imposition of additional duties of customs on imported goods for the purpose of safeguarding industries in British India. In the statement of objects and reasons attached to the Bill it was mentioned that its object was to enable prompt action to be taken to meet any serious menace to Indian industries which might arise from special conditions in any country outside India resulting in the importation of its produce or manufactures into this country at prices which endangered Indian industries. It was added that it was, however,

essential that such action should be subject to the endorsement of the Indian Legislature and provision was therefore made for submitting it for such approval as soon as possible after it was taken. The Bill was duly passed by the Legislative Assembly and the Council of State. It remains in force until the 31st March 1935.

The Committee addressed the Commerce Department of the Government of India in May 1933 in regard to the abovementioned Safeguarding of Industries Bill which became law in April 1933 and gave the Governor-General in Council power to impose such duties as he considered necessary to safeguard the interests of industries in this country on any goods which were being sold in or imported into India at abnormally low prices. At the same time His Majesty's Government in London gave six months' notice of the termination of the Indo-Japanese Convention of 1904 which they had negotiated on behalf of India. The Committee stated that this line of action by the two Governments, evidently acting in concert, afforded clear and welcome evidence that the urgency of the case which had been represented to the Government of India had been accepted by them.

In the requests for the initiation of this legislation which this Chamber, in common with other bodies, had made in the past twelve months, the Committee expressly pointed out that the powers taken should enable Government, subject to subsequent ratification by the Legislatures, to take prompt executive action for the protection of Indian industries, and they were pleased to note that the legislation enacted conferred this power. The Committee also drew attention, in their representations, to the urgent need of such action, and added that they considered this need to be still greater at the moment. They noted, therefore, with some concern that no pronouncement had been made as to the action Government proposed

to take with a view to the protection of the various Indian industries concerned, whose position with each day's delay became more critical.

The Committee referred to a report that had appeared in the Press to the effect that a conference between His Majesty's Government and the Government of Japan had been proposed, in the hope that thereby a "modus vivendi" satisfactory to all parties concerned might be arranged and anything in the nature of an intensive tariff was obviated. The Committee added that they would welcome such an eventuality and they were not unhopeful that this would be brought about in due time. It seemed inevitable, however, that there must be considerable delay in the achievement of such a desirable object and in the interval there was the risk, and a very grave one, of further and more serious injury being inflicted upon the industries already suffering from the competition referred to.

The Committee pointed out that the position of the Indian Mill Industry, in particular, had become extremely serious. Several mills had been compelled to suspend production and notices had been posted in a number of others to the effect that they might be compelled to close down in the very near future.

The action taken by Government in August 1932 under Section 3 (5) of the Indian Tariff Act, 1894, appeared to the Committee to have been largely nullified by the further depreciation of the yen since the Tariff Board made their recommendation. The Committee, therefore, suggested for the earnest consideration of Government that if, in the opinion of Government, the preliminaries necessary to any action under the Safeguarding of Industries Act were such as might cause delay in action being taken pursuant to the powers conferred by that Act, the Section of the Tariff Act quoted

above might again be utilised to make effective the interim protection required by the existing serious condition of the cotton mill industry in this country.

The following Notification No. 341-T (8) 33 was issued by the Government of India, Department of Commerce, on the 7th June 1933 :—

"In exercise of the powers conferred by sub-section (5) of section 3 of the Indian Tariff Act, 1894 (VIII of 1894), and in supersession of the Notification of the Government of India in the Department of Commerce, No. 341-T (164), dated the 30th August 1932, as amended by Notification No. 4341-T (5) 33, dated the 31st March 1933, the Governor-General in Council is pleased to increase the duty chargeable under Part VII of the Second Schedule to the said Act on the articles specified in the annexed table to the extent set forth therein."

TABLE.

Article with number of entry in Part VIII of the Second Schedule under which chargeable.	Present rate of duty chargeable under the Indian Tariff Act.	Increased rate of duty.
158. Cotton Piecegoods (other than fents of not more than nine yards in length)—		
(*a*) plain grey, that is not bleached or dyed in the piece, if imported in pieces which either are without woven headings or contain any length of more than nine yards which is not divided by transverse woven headings—		
(*ii*) not of British manufacture	20 per cent. *ad valorem* or 3½ annas per pound whichever is higher.	75 per cent. *ad valorem* or 6¾ annas per pound whichever is higher.
(*b*) Others—		
(*ii*) not of British manufacture	20 per cent. *ad valorem*.	75 per cent. *ad valorem*.

Following the notice of termination of the Indo-Japanese Convention of 1904, referred to above, a delegation from the Government of Japan visited India in September 1933 for the purpose of negotiating with the Government of India a trade agreement between the two Governments. The Government of India informed the Associated Chambers of Commerce of India that these negotiations were purely official in character but Government were very sensible of the desirability of consultation with Indian industrial interests throughout the negotiations. They decided therefore to ask certain representative industrial and commercial bodies to nominate representatives who might form a panel of unofficial advisers whom the Indian delegation could consult from time to time on problems that might arise during the discussions. The Association was consequently asked to nominate three representatives as unofficial advisers.

After consulting constituent Chambers the Associated Chambers nominated the following gentlemen as its representatives on the panel of unofficial advisers :—

Sir Leslie Hudson, M.L.A. ..	(Bombay Chamber).
Mr. W. O. Wright	(Madras Chamber).
Mr. V. F. Gray	(Punjab Chamber).

At the time of writing this report the negotiations were nearing completion and on the 8th January 1934 the following notification was issued by the Government of India, Department of Commerce :—

No. 341-T (33)/34. In exercise of the powers conferred by sub-section (5) of section 3 of the Indian Tariff Act, 1894 (VIII of 1894) and in supersession of the Notification of the Government of India in the Department of Commerce, No. 341-T (8) 33, dated the 7th June 1933, the Governor-General in Council is pleased to reduce the duty

chargeable under Part VII of the Second Schedule to the said Act on the articles specified in the annexed table to the extent set forth therein.

TABLE.

Articles.	Present rate of duty.	Revised rate of duty.
158 Cotton Piece-Goods.—		
(*a*) Plain grey, that is, not bleached or dyed in the piece, if imported in pieces (other than fents of not more than nine yards in length) which either are without woven headings or contain any length of more than nine yards which is not divided by transverse woven headings—		
(*ii*) not of British manufacture	75 per cent. *ad valorem* or 6¾ annas per pound whichever is higher.	50 per cent. *ad valorem* or 5¼ annas per pound whichever is higher.
(*b*) Others including cotton fents not otherwise specified—		
(*ii*) not of British manufacture	75 per cent. *ad valorem*.	50 per cent. *ad valorem*.

SAFEGUARDING OF INDUSTRIES.

COMMERCIAL INTELLIGENCE AND SURVEY OF BUSINESS CONDITIONS IN INDIA.

It was brought to the notice of the Chamber in June 1933 that the Government of India, with the approval of the Standing Finance Committee, had transferred the Director-General of Commercial Intelligence to the Government of India Headquarters, while two new officers, a Director

of Commercial Intelligence, as well as a Director of Statistical Research, were to be established in Calcutta. It was understood that the duties of these two Calcutta Directors would be exclusively devoted to the collection of statistics. The former would carry on the work formerly done by the Director-General, now located at Delhi/Simla, while the latter would interpret the trend of these statistics, and would report to the Commerce Department of the Government of India any cases calling for action under the Safeguarding of Industries Act.

From a telegram published in the *Times of India* of the 15th June 1933, it appeared that the Government of Madras also had before it a proposal for the appointment of a statistical officer for the Madras Presidency. It appeared that this officer was to work in liaison with the Director of Commercial Intelligence at Calcutta.

The Committee enquired of the Government of Bombay whether the latter had information as to these appointments, and whether similar arrangements were contemplated for the Bombay Presidency. Alternatively the Committee asked for guidance as to the proper procedure for the Chamber to follow in bringing to the notice of the Government of India any instances of trade and industries suffering from uneconomic foreign competition.

In replying to the above enquiry the Government of Bombay intimated that representations in regard to uneconomic foreign competition in any branch of trade or industry should be sent direct to the Commerce Department of the Government of India. At the same time a letter was received from the Government of India detailing the information that had to be submitted with such representations.

These details were duly brought to the notice of members and representations were in due course submitted to the

Government of India in connection with the following industries :—(1) Cement ; (2) Vegetable Product ; (3) Soap ; (4) Coal Tar ; (5) Epsom Salt ; (6) Woollen Manufactures.

The Committee were informed later that with the transfer of the Director-General to the Government of India Head Quarters a new branch of the Department of Commercial Intelligence and Statistics had been created to do research work in connection with the various economic activities in which Government was interested. One of the functions of this Branch was to collect statistical and other material for a monthly survey of business conditions in the country and the Chamber was asked by the Director-General to supply him with reports regarding probable tendencies, financial conditions, stock position, etc., of the trades and industries dealt with by the various Sub-Committees of the Chamber. The Committee of the Chamber obviously were not in a position to furnish such reports but it was suggested to them that some firms who were members of the Chamber probably produced for their head offices etc., their own market reports on the particular trades they were interested in and that such members might be willing, if the reports were not confidential, to supply copies to the Director-General through the Chamber.

All members were accordingly addressed in the matter and asked whether any such market reports were prepared by them and, if so, whether they would be good enough to arrange for a copy to be sent to the Chamber for transmission to the Director-General's research office. This was done by some members.

LANCASHIRE DELEGATION TO INDIA.

A delegation from the Lancashire cotton textile industry visited Bombay in September 1933 for the purpose of endea-

vouring to enter into a trade agreement with the Indian cotton industry and discussing with representatives from the Governments of India and Japan the difficulties which existed between the three countries.

The delegation consisted of Sir William Clare Lees, O.B.E.; Messrs. A. D. Campbell; S. S. Hammersley, M.P.; F. Longworth; Maurice Spilman; H. L. Aspden; R. W. Lacey; E. Raymond Streat, C.B.E.

The Committee of the Chamber had an opportunity for an unofficial discussion with the delegation on the 20th September 1933.

EFFECT ON GENERAL IMPORT TRADE OF IMPORTS FROM COUNTRIES WITH DEPRECIATED CURRENCIES.

The Committee in September 1933 in addressing the Government of India mentioned that it was well-known that the effect on indigenous industries of imports from countries, whose currencies were depreciated in relation to the rupee, had been, and still was at that time receiving the close attention of the Government of India. But there was another aspect of this question which the Committee felt had received little or no consideration, *viz.* the effect of such imports on businesses in this country which, though not industrial, might have been established for many years, and which might therefore not unreasonably claim to share in protective measures proposed for industrial enterprises, *e.g.* firms and companies engaged in the import from the United Kingdom and Continental countries.

A large number of firms, both British and Indian, whose prosperity was dependent on trade with the United Kingdom

and the Continent, and as a result of whose activities the Government of India's revenues from customs duties had in the past derived enormous benefit, found themselves virtually "threatened with extinction" by the same competition of which indigenous industries had so vehemently complained in recent years.

Statistics showed that the trade in certain commodities was inelastic, and that, if there were increased imports of such commodities from one country, it would be found that they had displaced, and were not in addition to, imports of similar commodities from another country.

That such displacement of goods, hitherto imported from the United Kingdom or the Continent, by goods from Japan was at the moment to a great extent due to the depreciation of the yen in relation to the rupee was common knowledge, and a mere increase of *ad valorem* customs duties would not alone suffice to adjust this very severe disadvantage.

It was only to be expected that firms such as those mentioned, a number of whom, British and Indian, were members of this Chamber, should ask if some action was not possible in protection of their legitimate interests.

The Committee put forward for the consideration of Government the suggestion that it would be neither impracticable nor inequitable to add considerably to the list of articles for which Tariff Valuations were fixed, and thereby to include most of those which were imported from Japan in any appreciable quantity. It was noted also that the adoption of this proposal would go far to repair the loss of customs revenue which must be taking place owing to imports from the United Kingdom and the Continent being replaced by imports from Japan at much lower values.

PROTECTION OF THE OIL INDUSTRY OF INDIA.

At the annual meeting of the Associated Chambers of Commerce of India held at Calcutta on the 10th January 1933, the following resolution was moved by the Burma Chamber but ultimately withdrawn on the understanding that the record of the discussion would be circulated to the Chambers for their comments :—

"That this Association, being impressed by the value to India and the Empire of healthy progressive development of mineral oil resources within the Empire itself and by the vital necessity for internal supplies of petrol and oil for the security services of India, strongly urges the Government of India to take whatever steps may be necessary to protect the established oil industry of India from importations of foreign oil at uneconomic prices consequent on the present conditions of over-production throughout the world."

The Chamber was informed in August 1933 that there was not sufficient support from the constituent Chambers to warrant the Associated Chambers taking the matter further. The President accordingly decided that it would be sufficient to publish the views of the constituent Chambers and to leave it to the Burma Chamber to take such steps as that Chamber considered necessary to obtain the required protection under the Safeguarding of Industries Act.

INDIAN TARIFF (SECOND AMENDMENT) ACT, 1933.

Duty on Kerosene and Light Diesel Oil.

On the 21st November 1933 a Bill was introduced in the Legislative Assembly which had for its object the amendment of the India Tariff Act, 1894, the Indian Finance Act, 1931, and the Sea Customs Act, 1878. In the statement of objects and reasons attached to the Bill it was mentioned that the object of the Bill was to amend the Import Tariff so as to apply the rate of duty previously prescribed for kerosene

to all other mineral oils (excepting motor spirit) which evinced, when tested by a standard lamp, a prescribed minimum illuminating capacity, and could therefore be used as substitutes for kerosene for burning in lamps. It was stated that the change was necessary in order to put an end to what had become a steadily increasing loss of revenue.

The rates of duty on kerosene were as follows :—

Customs Import Duty—

		As.	p.
(*a*)	Basic duty	2	3
(*b*)	1st surcharge	0	9
(*c*)	2nd surcharge 25 per cent. of (*a*) plus (*b*)	0	9
	Total ..	3	9

Excise Duty—

		As.	p.
(*a*)	Basic duty	1	6
(*b*)	1st surcharge	0	9
(*c*)	2nd surcharge 25 per cent. of (*a*) plus (*b*)	0	6¾
	Total ..	2	9¾

For some time past large quantities of light fuel oil (light diesel oil) had been imported for use in India as illuminants. Such oil was not so used in other countries and no trade practice could be established by which it could be described as "kerosene." The latter term, though it had been defined for the purpose of the excise duty, was not so defined in the Import Tariff and therefore had to be interpreted by Customs officers in accordance with trade usage. The consequence was that the imported oil-in question could not be treated as kerosene under the Import Tariff; but where use as an illuminant could be proved, such use took it out

of the Tariff definition of fuel oil (duty 12½ per cent. *ad valorem*), so that it became dutiable as "oils, other sorts" at 25 per cent. *ad valorem*, equivalent to about 9 pies a gallon. The application of this rate still left these oils with a very considerable advantage over the oils which paid duty at the "kerosene" rate with the result that the recognised kerosene oils, and particularly an inferior quality which was largely made in Burma, were being displaced to an extent which was increasing day by day to the detriment of the local industry as well as of the revenue derived from the import and excise duties on kerosene.

It was added that no satisfactory dividing line between illuminating and non-illuminating oils based on their physical constants or chemical properties had so far been formulated, but a standard lamp to test burning capacity had been devised. The Bill provided for giving the Government power to prescribe this pattern of lamp as the one to be used in testing imported oils for the purpose of the new tariff entry and to frame rules laying down other particulars of the tests to be applied.

The Bill after being referred to a Select Committee was passed by both Houses of the Legislature (Act XXVIII of 1933) and received the assent of the Governor-General on the 23rd December 1933.

PROTECTION OF THE HEAVY CHEMICAL INDUSTRY.

(*See Report* 1931, *Vol. I, page* 130.)

The following Resolution of the Government of India No. 199-T. (17) dated 1st April 1933 explaining Government's reasons for discontinuing the Heavy Chemical Industry (Protection) Act, 1931, is reprinted for purposes of record.

In their Resolution in the Department of Commerce, No. 199-T(11) dated the 5th September 1931 the Government of India analysed the Report of the Indian Tariff Board on the Heavy Chemical Industry, and announced the conclusions at which they themselves had arrived after consideration of the Report and the action which they proposed to take. By the Heavy Chemical Industry (Protection) Act of 1931 protective duties at different rates were placed upon certain specified chemicals subject to the proviso that in each case the ordinary revenue duty would be applicable whenever it was higher than the protective duty. Section 3 of the Act provides that the protective duties on all the specified chemicals other than magnesium chloride shall have effect only up to the 31st March 1933.

2. In the Resolution cited above the reasons for limiting the operation of the protective duties to a period of about a year and a half were stated, and in moving for the consideration of the Bill in the Legislative Assembly on the 21st September 1931 the Hon'ble Commerce Member clearly explained why the Government of India were unable to propose the grant of substantive protection to the heavy chemical industry unless and until they were satisfied after further enquiry that certain conditions upon which the scheme of protection framed by the Tariff Board depended were likely to be fulfilled. The questions which, in the opinion of Government, required further investigation were the following :—

(*a*) Whether there was any likelihood of the principal manufacturers of heavy chemicals in India reorganising the industry in combination with each other and of so making economic production possible.

(*b*) Whether the actual and potential demand in India for superphosphate was sufficiently large and assured to justify the grant of State assistance in the form of a bounty to the manufacturers of this fertiliser.

(*c*) Whether superphosphate was capable of being manufactured in India at a cost which would enable it at any time to compete with the imported article on equal terms.

3. In regard to the first question, in paragraph 12 of the Resolution already cited the Government of India stated that they would be prepared to discuss with representatives of the chemical manufacturing interests how the question of developing the industry could best

be studied further. No response was received to that suggestion, and enquiries were therefore made, at the instance of the Government of India, by the Governments of Madras, Bombay and Bengal from the principal manufacturers in those Provinces. The result of those enquiries may be summed up as follows. In no instance was any indication given of an intention on the part of chemical manufacturers to work for more economic production by a combination of interests; the view that the Indian market for heavy chemicals is insufficient to render truly economic production by the existing concerns possible gained support from statements made by manufacturers themselves, while it was alleged by one large manufacturer that the price of acid is now regulated by internal competition and that overproduction of certain chemicals already takes place.

4. The second question has been examined in the light of all the evidence available by the Imperial Council of Agricultural Research, who have consulted the Fertilisers Committee appointed by the Council, Directors of Agriculture and other persons specially qualified to express opinions of value. While finality is not claimed for the results of such tests as have been made, the great majority of the opinions are unfavourable to any scheme of State assistance to the manufacture of superphosphate. The Tariff Board in 1929 estimated the total consumption of superphosphate in India at about 10,000 tons, and while this figure, in the opinion of the Imperial Council of Agricultural Research, may not be an overestimate of the present demand if prices were reduced, the view expressed by the Tariff Board, in paragraph 82 of its Report, that some 30,000 tons would not improbably be required within a comparatively short period has received no support.

5. As regards the third question, the Government of India caused enquiries to be made by two experts, working independently, into the cost of production of superphosphate in India. Each of these two enquiries produced an estimate of the cost of production somewhat higher than, though not strikingly different from, that made by the Tariff Board. One of the reports, however, contained the conclusions that, to judge from such statistics as could be obtained, the total consumption of superphosphate in India has dropped far below 10,000 tons a year; that even if an output of 10,000 tons could be attained by a single factory in India, no prospect exists of manufacture in India at a cost sufficiently low to enable it to compete with the imported article,

and that, since an annual output of not less than 50,000 tons might be considered under modern conditions to represent a reasonably economic scale of production, the Indian manufacturer, with his very small internal market and his reliance upon imported sulphur and raw phosphate, could not hope to compete on equal terms with the manufacturers in certain other countries.

6. The result of these enquiries provides, in the opinion of the Government of India, a definite answer to the question whether protection to the heavy chemical industry should be continued. Any scheme for the grant of State assistance to the manufacture of superphosphate could clearly have no justification on any ground, and in the absence of a superphosphate manufacturing industry, the additional market for sulphuric acid for which the Tariff Board hoped fails to materialise. In the words of the Tariff Board, the chemical industry in India can have no future so long as manufacture is carried on in small units with low production, and no indication has appeared of any desire on the part of existing manufacturing interests to concentrate production into a small number of economic units for the supply of the existing market. In these circumstances, the only result of continuing protection to the heavy chemical industry would be to perpetuate uneconomic manufacture and to place a burden on the consumer of such chemicals for an indefinite period with no prospect of any national advantage. The Government of India accordingly decided to place no proposals before the Legislature for the continuance of protection to the heavy chemical industry after the 31st March 1933. The protective duty on magnesium chloride, which is in force until the 31st March 1939, remains unaffected by this decision.

IMPERIAL PREFERENCE.

Indo-Ceylon Trade.

In February 1933 the Associated Chambers of Commerce of India forwarded to the Chamber a copy of a letter that had been addressed by the Madras Chamber to the Government of India inviting attention to the fact that in connection with the Ottawa Agreement, the question of the proposed preference on Empire goods entering into Ceylon was debated

in the Ceylon State Council from the 17th to the 19th January last, resulting in the total rejection by the Council of the proposed preference on a number of major items, including Cotton Textiles, Cement, Iron and Steel, Apparel, Coffee, Rice and Coriander Seeds, a part from the following items which were deleted from the original proposed Schedule by the Select Committee :—Glass and Glassware, Hollow-ware, Iron and Steel Plates and Sheets and Wire Nails.

The policy of the Ceylon State Council in refusing to give reciprocal tariff benefits on any articles of importance, such as Cotton Textiles, Cement, Rice, Iron and Steel and Glass, while granting preference only on various unimportant items such as Fresh Fruit, Boots and Shoes, etc., seemed to have been formulated in order to give the appearance of accepting the principle of Imperial preference, and, while giving away nothing themselves, to retain for Ceylon the benefits offered by the United Kingdom, India and other parts of the Empire, particularly the preferential treatment on their exports of Copra, Cocoanut Oil, and Cocoanut products generally which were of great importance to the trade of Ceylon.

The particular items on which the Ceylon State Council had refused to grant preference under the Ottawa Agreement seemed specially selected in order to discriminate against the United Kingdom and India in favour of such suppliers as Japan and the Central European countries.

The Madras Chamber added that the principle of reciprocity involved in the Ottawa Agreement was one of great importance and the Government of India was requested to make suitable representations with a view to obtaining a reversal of the policy now pursued by the Government of Ceylon.

The Committee in acknowledging receipt of the correspondence informed the Associated Chambers that in their opinion the letter addressed to the Government of India by the Madras Chamber appeared to be the natural outcome of the proceedings in the Ceylon State Council and to be worthy of the support of the Associated Chambers.

In May 1933 the Associated Chambers drew the attention of the Chamber to certain reports which appeared in the public press that a deputation from Ceylon consisting of the Hon'ble the Acting Financial Secretary (Mr. C. W. Bickmore, C.C.S.), and the Hon'ble the Minister for Labour, Industry and Commerce (Mr. Peri Sundaram) with Mr. G. S. Wodeman, C C.S., Principal Collector of Customs, in an advisory capacity, had had interviews with the Hon'ble Sir Joseph Bhore, Commerce Member of the Government of India, at Simla, when the Commerce Department Secretary, the Director-General of Commercial Intelligence, and the Agricultural Adviser to the Government of India were also present, for the purpose of an informal discussion of points concerning the trade between Ceylon and India.

It was not known at the time what was the exact object of this mission from Ceylon to India, but it was understood that it was the result of a communication from the Indian Government, presumably in connection with the Ceylon State Council's refusal to grant preferences on certain articles specified in Schedule E of the Ottawa Agreement, and their decision to reduce the margin of preference on other articles; and that the possibilities of reaching agreement upon any variations in the existing preferences to the mutual benefit of both countries, would be explored. The press reports stated that the discussions were to be continued but, whatever the result, the Government of India would have to

consult many Departments and also the Assembly before any steps were taken in the direction of altering the import duties.

The Associated Chambers suggested that as the Government of India had this question of Indo-Ceylon trade prominently before them, the time might be opportune for the constituent Chambers to bring to the notice of the Government of India, preferably through the Association, any particular matters relating to the trade possibilities of their particular districts with Ceylon which they desired to be given full consideration in the course of the investigations by the Government of India into these matters. It was added that the trade matters so submitted by the Associated Chambers would be duly passed on to the Government of India; and the representative of the Associated Chambers in the Legislative Assembly would also be furnished with all the information thus made available and asked to take up the case for preferential treatment of these interests when the whole question came before the Assembly for consideration.

Members of this Chamber were accordingly circularised on the 18th May 1933 and invited to bring to the notice of the Committee any particular matters in connection with trade between India and Ceylon in which their interests were involved.

The Associated Chambers early in September 1933 addressed the Government of India in connection with the official deputation from Ceylon and in submitting the replies received from certain of the constituent Chambers to the circular referred to above, asked the Government of India for information in regard to the then position of the Indo-Ceylon trade negotiations between the two Governments. The Government of India in reply pointed out that there was

no proposal for conclusion of a separate trade agreement with Ceylon and added that India had already accorded to the non-self-governing Colonies and Protectorates, including Ceylon, preferences on the commodities specified in Schedule H to the United Kingdom-India Trade Agreement, and in return the Agreement provided *inter alia* for the grant to India by Ceylon of preferences on the commodities shown in Schedule E to the Agreement. The question of the particular commodities on which preferences should be sought or given was therefore no longer one of the main points at issue.

DUTY ON IMPORTED RAW COTTON.

(*See Reports* 1931, *Vol.* I, *page* 113 ; 1932, *page* 160.)

It was mentioned in the Chamber's Report for 1932 that the Government of India in replying to a joint representation from the Chamber and the Bombay Millowners' Association stated that the proposal to replace the present import duty on raw cotton by a consumption tax was fraught with various difficulties and obstacles of a serious character and that after as full examination of the question they had found it impossible to take the course suggested.

Subsequently the Chamber received from the Government of Bombay a copy of a letter that had been addressed to that Government by the Government of India on the subject. The Government of India stated that it did not appear to them that any case had been made out which would justify any action in regard to the treaty rights now enjoyed by Bhavnagar State. Further they found it difficult to believe that the political situation in Bombay was not responsible for a diversion of trade to other ports to a greater degree than the Chamber of Commerce and Millowners' Association were prepared to admit. The Government of India were also

disposed to think that by reason of its geographical situation Bhavnagar possessed advantages for the supply of the Ahmedabad mills which were not shared by Bombay and which were independent of the existence of the cotton import duty.

The Government of India added that in view of the considerations set forth above they were not satisfied as to the necessity of taking any action for the removal of the import duty on raw cotton.

The Committee in addressing the Government of India again in the matter expressed their surprise and regret that the Government not only sought to belittle the seriousness of the case as represented to them, but chose to ignore the fact that it was largely as a result of the Government of India's own action in imposing an import duty on raw cotton that the diversion of this trade to Bhavnagar port was taking place.

The Committee emphasized the fact that 68,000 bales of African and Egyptian cotton were landed in Bhavnagar in the 9 months April to December 1932 as compared with nil in the preceding 15 months, the bulk of which would in the normal way, have been landed in Bombay. It was true, as Government pointed out, that Bhavnagar possessed the advantage for the supply of the Ahmedabad mills of being nearer that city than Bombay by 140 miles, but in the opinion of the Committee that advantage was more than offset by the fact that merchandise entering Bhavnagar had to be transported in lighters a distance of not less than eight miles from ship to shore and the natural advantages of such a port could hardly be said to constitute a serious menace to a port where cotton could be moved direct from the hold of a ship to a railway waggon in a single operation. It was clear beyond reasonable doubt that there must be some much more

substantial reason than this for attracting cotton on the scale mentioned to Bhavnagar, and in the opinion of the Committee the reason was to be found in the import duty on raw cotton.

The Committee added that it was not only Bombay which was suffering. In a letter addressed by the Bengal Chamber to the Government of India, Department of Commerce, in July 1932 it was pointed out that goods manufactured on the Calcutta side were being ousted from the markets of Ahmedabad, Rajputana and Central India by foreign articles imported *via* the port of Bhavnagar to the consequent detriment both of indigenous industries and railway revenues, and the Government of India themselves were losing not only the import duty on cotton imported into Bhavnagar, but the customs duty on all other imports diverted there, a loss which had to be made good by the British Indian taxpayer in other directions.

With regard to the suggestion put forward by the Government of India that the political situation in Bombay had been responsible for the diversion of trade to a greater degree than the Chamber was prepared to admit, the Committee stated that they did not believe that the situation in Bombay had had more than a secondary and temporary effect in the diversion which had occurred. During the much more serious disturbances of 1930, there was no evidence that trade was diverted from Bombay to anything like the same extent as had since occurred. In the opinion of the Committee the Government of India were shutting their eyes to the real facts if they took refuge behind this argument.

With regard to the treaty rights enjoyed by the Indian maritime States in Western India in general and by Bhav-

nagar in particular, the Chamber had already expressed its views (see Report for 1932, page 52), and the Committee did not propose to say anything further on the subject beyond emphasizing that the issue was one which would have to be faced with the advent of Federation and that no good purpose would be served by shelving it and allowing the injury which was being suffered by the trade and port of Bombay and by the revenues of the Government of India to continue unchecked. The Committee found it difficult to believe that the Government of India could regard the existing state of affairs with equanimity and allow the indefinite continuance of a system under which an uneconomic port in Indian India was, with the help of the Government of India themselves, being developed at the expense of the British Indian taxpayer. The Committee had put forward two suggestions for the consideration of Government, both of which had been stated to be unacceptable, but they could not allow the decision to rest as it was and they proposed to continue to avail themselves of every possible opportunity of pressing the matter on the attention of Government until they were satisfied that this very vital issue had received the attention which it deserved.

At the annual general meeting of the Associated Chambers of Commerce of India held at Calcutta on the 8th and 9th January 1934 the following resolution was submitted on behalf of this Chamber but was withdrawn after discussion :—

"This Association recommends to the Government of India that the import duty on foreign raw cotton be abolished and that in its place a consumption tax be introduced, should financial conditions render such a tax necessary."

IMPORT DUTY ON CUTCH COTTON.

The Bombay Millowners' Association brought to the notice of the Chamber in February 1933 that cotton shipped by coasting steamers from Cutch ports to Bombay and manifested for transhipment to foreign ports and transhipped within two months of the arrival of the cotton in Bombay was not charged import duty. This it was stated caused a direct loss of revenue to the Government of India and also handicapped the Indian mills in obtaining their requirements of this staple cotton.

The Committee in reply informed the Millowners' Association that they felt that there was no case which the Chamber could represent to Government. They suggested that if, in the opinion of the Committee of the Association, the Millowners in Bombay were being handicapped in obtaining the Cutch cotton they required, they might consider the advisability of addressing Government direct.

STATE OF CAMBAY.

APPLICATION OF SECTION 5 OF THE INDIAN TARIFF ACT.

The following notification was issued by the Commerce Dept. of the Government of India on the 8th April 1933 :—

In exercise of the powers conferred by section 5 of the Indian Tariff Act, 1894 (VIII of 1894), the Governor-General in Council is pleased to declare the territory of the Indian State of Cambay, hereinafter referred to as "the said territory" to be foreign territory for the purposes of the said section, and to direct that a duty of customs at the rate prescribed by or under the said Act or any other law for the time being in force in respect of any article, when imported into a port in British India shall be leviable on any such article when imported by land from the said territory.

Provided that such duty shall not be leviable on any article which is proved to the satisfaction of the officer of land customs to have been produced in the said territory.

The following notice was issued by the Collector of Customs on the 5th April 1933 :—

The Government of India have decided, with effect from the 8th April 1933, to notify the State of Cambay as Foreign Territory within the meaning of the Tariff Act. The effect of this will be to make goods imported from foreign countries into Cambay liable to duty on entry into British India.

Such duty on consignments booked by rail will be collected at Anand Railway Station and merchants are warned when despatching consignments from Cambay to Anand and beyond to arrange for examination and payment of duty at Anand themselves or through the Railway Company.

The places at which duty will be collected on consignments entering British India by road will be notified later.

IMPORT DUTY ON MOTOR VEHICLES.

At the annual general meeting of the Associated Chambers of Commerce of India held at Calcutta on the 9th and 10th January 1933 the following resolution was adopted :—

"That this Association urges upon Government a reduction of the import duties on motor vehicles, in order to give every opportunity for developing the internal communications of the country."

A copy of the resolution and of the report of the discussion which preceded its adoption were duly passed on to the Government of India for consideration. The Central Board of Revenue intimated in reply that the resolution would be given full consideration in connection with the report on the deliberations of the Road and Rail Conference.

IMPORT DUTY ON RAW ASBESTOS FIBRE.

The Committee were asked by a member in March 1933 to address the Government of India in support of a representation they had made urging the admission of raw asbestos fibre into India free of duty.

It appeared from the information placed before the Committee that the Company in question proposed in the

first place to erect a factory in the Central Provinces for the manufacture of asbestos products, and, if this proved successful, to erect further plant elsewhere in this country.

The Committee were informed that the indigenous cement was eminently suitable for the manufacture of asbestos-cement products, but that there was no suitable raw asbestos fibre available in India. Consequently the Company would have to import its requirements of the latter.

The Committee carefully considered the question, and, in supporting the representation, put forward the following points which they recommended to the consideration of Government :—

(*i*) The manufacture of asbestos-cement meant the inauguration of a new indigenous industry, and as such should claim the assistance of Government. In addition, the development of such an industry should be of direct benefit to another young indigenous industry, *viz.*, the manufacture of cement.

(*ii*) It had been suggested that Government might lose revenue through a reduction in the imports of foreign asbestos-cement. The Committee felt, however, that this consideration should not weigh with Government, particularly in view of the fact that the imports of asbestos manufactures showed already a tremendous decline. Figures for the past three years had been as follows :—

	1930-31	1931-32	1932-33
	Rs.	Rs.	Rs.
Asbestos Packing	5,15,043	2,54,126	2,68,003
Manufactures (except for packing)	23,21,440	12,88,430	10,94,439
Total Rs. ..	28,36,483	15,42,556	13,62,442

The reason for this remarkable contraction was, the Committee understood, the high cost of the imported article. This, it was expected, would be reduced very materially as soon as manufacture in India could be started.

(*iii*) It had also been suggested that to facilitate the import of asbestos fibre might hinder the development of asbestos deposits in India. As previously stated, the Indian asbestos deposits that had so far been discovered were understood to be unsuitable for the maufacture of asbestos-cement. If suitable fibre could be obtained in India, factories engaged in the business would obviously be glad to use it at equal prices, and this, the Committee deemed, was another argument for encouragement of their establishment.

(*iv*) As the Customs tariff stood at the moment, raw asbestos fibre would be assessed to a higher duty than that charged on asbestos manufactures. The former would apparently be rated under item No. 58/84 of the Tariff (8th issue) at 25 per cent., irrespective of the country of origin. Manufactured asbestos goods from the United Kingdom might be imported under the preferential rate of 20 per cent. This seemed to the Committee clearly unreasonable.

It was understood that the raw fibre to be imported would come from Rhodesia (the alternative source of supply being Russia), and the Committee suggested that, if the Government of India were unable to see their way to admit the raw fibre free of duty, a special low rate of duty might be sanctioned.

In conclusion, the Committee pointed out that, according to their information, the proposed factory for the manufacture of asbestos-cement products had not yet been started, and indeed the site of it had not been settled. The Committee considered that it would be a pity if the project were

to be abandoned for lack of the encouragement which Government were asked to give.

The Government of India in replying to the Chamber's representation stated that under existing financial conditions, they regretted they were unable to consider the question of an addition to the free list of the Import Tariff Schedule or of a reduction in the existing rates of duty.

The Committee in reply expressed their disappointment that the existing anomaly of a higher rate of import duty on raw asbestos fibre than on asbestos manufactures had not been removed, and asked the Government of India to reconsider the question from this point of view.

The Government of India subsequently informed the Chamber that the suggestion had been noted for consideration.

IMPORTS OF ASBESTOS.

Classification for Statistical Purposes.

At the request of certain members the Chamber in September 1932 supported a suggestion that the classification of the imports of asbestos in the Government statistical returns should, in future, be as follows :—

1. Raw.
2. Asbestos Packing.
3. „ Millboard.
4. „ Yarn.
5. „ Jointing.
6. „ Cement, Corrugated Roofing Sheets.
7. „ „ Flat Sheets.

Formerly the classification was—

1. Raw.
2. Asbestos Packing.
3. Manufactures (except for packing).

From the 1st April 1933 the classification was altered to :—

1. Raw.
2. Manufactures.
   (*a*) Asbestos Packing;
   (*b*) Sheets, plates, etc., of asbestos cement;
   Other manufactures.

IMPORT DUTY ON INFANT FOOD AND CONDENSED MILK.

In March 1933 the Associated Chambers of Commerce of India asked for the views of the Chamber on a suggestion of the Madras Chamber that Patent Foods intended for the use of infants should be brought within the scope of the preferential tariff for British goods under the Ottawa Agreement and specified separately in the Tariff Schedule.

After consulting the Import Sub-Committee the Committee in replying to the Associated Chambers pointed out in the first place that Infant Foods were imported under serial number 14-I of the Indian Customs Tariff, number 69 of the Statutory Schedule, and so were liable to the standard rate of duty of 25 per cent *ad valorem*. There did not appear to the Committee to be any point in pressing the Government of India to include any goods under the preferential tariff which were not at present included. The initiative must be taken in the exporting countries. The Government of India would only consider according preference to Empire goods in respect of which applications for such preference had been made to them by the Governments of the exporting countries. The Committee felt that all that could be done in this country was to apply for a reduction in the standard rate of duty and they could see little hope of that being agreed to under existing circumstances.

The Chamber was subsequently informed that the Associated Chambers had addressed the Government of India suggesting the desirability of treating Infant Foods in a category by themselves, for import tariff purposes, and reducing the standard rate to 15 per cent, or even lower, on all such foods imported for the specific purpose of infant feeding in this country.

An enquiry was received at a later date from the Associated Chambers as to whether this Chamber agreed to representations being made to Government with a view to reducing the import duty on Condensed Milk.

In reply the Committee stated that they did not favour the extension of the representation already made to Government by the Associated Chambers in respect of Infant Foods, in regard to which the Committee had doubts in the first instance.

IMPORT DUTY ON PERAMBULATORS.

In July 1933 the attention of the Committee was drawn by an importing house in Delhi to the fact that duty was being levied at some ports under Tariff Serial No. 75A, Statutory No. 182 "Carriages and carts not mechanically propelled" and at others under Tariff Serial No. 77, Statutory No. 87 "Tramcars, passenger lifts, and all other sorts of conveyances not otherwise specified."

On enquiry the Committee found that formerly duty was charged at Bombay on perambulators under Serial No. 75A, but subsequently under orders from the Government of India they were assessed to duty under Serial No. 77.

In replying to the firm in question the Committee stated that in their opinion Serial No. 75A was the appropriate item under which perambulators should be assessed to duty. It seemed, however, that Government had decided to assess the article under Serial No. 77, which on the literal reading

of that item they appeared to be free to do. The Committee suggested to the firm that if they desired to press the point they might address the Punjab Chamber at Delhi in the matter.

IMPORT DUTY ON GELATINE SPANGLES.

A member brought to the notice of the Chamber in August 1933 that the Customs Authorities had charged duty on certain imported Gelatine Spangles at 50 per cent *ad valorem* the rate applicable to metallic spangles, instead of at 25 per cent *ad valorem*, because traces of metal had been found in the spangles. The member contended that the Customs Authorities had misconstrued the meaning of metal spangles. The Collector of Customs had informed the member that the word "Metallic" did not necessarily signify that it was made of metal, the first meaning given to this word in the dictionary is "pertaining to, or like, a metal" and the spangles in question had the appearance of metal. The Collector added that the higher duty was imposed on Metallic Spangles on the recommendation of the Tariff Board as a measure of protection to a local industry as these spangles would certainly compete with such industry.

After consulting the Import Sub-Committee the Committee informed the member that in view of the recommendation of the Indian Tariff Board to which the Collector of Customs referred, it would appear that the Collector was justified in his assessment of Gelatine Spangles. Paragraph 26 of the Report of the Indian Tariff Board on the Gold Thread Industry read as follows :—

"26. There are various ornamental articles such as spirals, discs and flattened wires, the manufacture of which is closely allied to that of gold thread. These are in practically every case manufactured from silver wire and we consider that the duty which we have proposed

Suggested definition for Tariff Schedule.

for gold thread may suitably be applied to such articles also. We give below a definition prepared in consultation with the Collector of Customs, Bombay, which will cover all such articles as well as *gold thread and all colourable imitations thereof*—

"Metallic filaments used for the ornamentation of woven fabrics, including—

(1) Silver thread and wire (including so-called gold thread and wire mainly made of silver) and silver leaf;

(2) imitation gold and silver thread and wire;

(3) lametta, and

metallic spangles

irrespective of the quantity of precious metal contained therein.'

SALTED FISH.

Tariff Valuation.

The Director-General of Commercial Intelligence and Statistics informed the Chamber in March 1933 that it was proposed to fix with effect from 1934, tariff values for wet salted fish according to the following classification :—

Fish, salted, wet.

(1) Soormai .. .. per Indian maund.

(2) All other sorts .. .. .. „ „ „

The Director-General asked for the views of the Chamber on the proposal.

After consulting the Import Sub-Committee the Committee informed the Director-General that as it was understood that "Soormai" formed the bulk of imports of wet salted fish they had no objection to raise to the proposed classification.

POTATOES.

Tariff Valuation.

The Director-General of Commercial Intelligence and Statistics informed the Chamber in January 1933 that it

was proposed to fix a tariff value for potatoes with effect from 1934 and meanwhile he asked the Chamber to examine the proposal and furnish him with its views.

After consulting the Import Sub-Committee, the Committee informed the Director-General that they were not in favour of a tariff valuation being fixed for all potatoes. They understood there was a considerable difference between the market values of Italian and East African (Mombasa) potatoes. The market value of Italian for the season July-December 1932 was Rs. 115 per ton, while that of Mombasa was Rs. 85.

For 1934 the tariff valuation for potatoes, all sort, was fixed at Rs. 5-4-0 per cwt.

NEWSPRINT IN REELS.

Tariff Valuation.

In August 1933 the Associated Chambers of Commerce of India asked for the views of this Chamber on a suggestion of the Madras Chamber that newsprint in reels should in future be assessed on an *ad valorem* basis instead of on a tariff valuation as it was considered a hardship that newsprint in reels should be charged at the same value as newsprint in the flat despite the fact that the former was considerably cheaper than the latter.

After consulting the Import Sub-Committee and members interested the Committee informed the Associated Chambers that while they were prepared to support generally the suggestion of the Madras Chamber, they would put forward as an alternative the suggestion that two tariff valuations might be fixed in future, one for newsprint in reels and another for newsprint in the flat.

For 1934 the tariff valuation for printing paper, not on reels, in which the mechanical wood pulp amounted to not

less than 70 per cent of the fibre content was fixed at Re. 0-1-0 per lb. while no valuation was fixed for all other sorts so that the duty is charged at 25 per cent *ad valorem*.

ROSE NAILS.

Tariff Valuation.

In August 1933 the Committee brought to the notice of the Director-General of Commercial Intelligence and Statistics that the tariff valuation of Rs. 14 per cwt. then in force under Serial No. 103, Statutory No. 236 of the Import Tariff was extremely high, judging from the prices at which British and Foreign Rose Nails were being imported at the moment :—

British Rose Nails @ 13s. 6d. C.I.F. at Ex. 1s. 6d.= Rs. 9-0-0.

Foreign Rose Nails @ 14s. 9d. C.I.F. at Ex. 1s. 6d.= Rs. 9-13-6.

The Committee stated that a more equitable rate would be about Rs. 10-0 to Rs. 10-8 per cwt. and asked the Director General to be good enough to look into the matter with a view to the valuation being reduced when the general revision of the tariff valuations took place at the end of the year.

For 1934 the tariff valuation for Rose Nails was fixed at Rs. 12-8 per cwt.

METANIL YELLOW.

Tariff Valuation.

The attention of the Committee was drawn in February 1933 to the fact that the tariff valuation for the current year of Metanil Yellow had been fixed at Re. 1-7-0 per lb. against the previous year's valuation of annas 13 although it

was pointed out at the meeting held with the Director-General of Commercial Intelligence and Statistics on the 22nd November 1932 that the valuation, according to the average nett realisations of the largest importers, should not be more than Re. 1-2-0 per lb.

As it appeared to the Committee that a mistake had been made in fixing the value at Re. 1-7-0 per lb. they addressed the Director-General and enquired on what basis the valuation has been fixed at the above rate.

The Director-General in reply stated that the revised tariff value had been based on the ex-duty weighted average of the market prices obtaining at the major ports in India during the nine months preceding the annual revision and that he had repeated the calculations and found that they were correct.

For 1934 the tariff valuation for Metanil Yellow was fixed at Re. 1-2-0 per lb.

SILK PIECE-GOODS.

Tariff Classification.

In August 1933 the Director-General of Commercial Intelligence and Statistics asked for the views of the Chamber on the following proposals for deletions and alterations in the existing tariff valued heads relating to silk piece-goods (Statutory Item No. 133).

1. It was proposed to delete the following tariff-valued heads as the imports of these were negligible :—

(*i*) Twill, all kinds ;

(*ii*) Jarina, (gold embroidered) ;

(*iii*) Cotton and Silk mixed satins, embroidered ;

(*iv*) Cotton and Silk mixed hosiery.

2. It was proposed to split the existing head "Fancies, printed and woven, etc.," in the following manner:—

Fancies—

(*a*) Plain coloured or printed including Georgettes, crepes, ninons, gauzes and Shin Paj, whether woven with silk stripes or flowers and all other kinds not falling under (*b*).

(*b*) Woven so-called, (*i.e.*, Swivel weave work or Khako, embroidered in artificial silk or embellishments with artificial silk), including Georgettes, crepes, ninons, gauzes and Shin Paj.

It was reported that of the total imports under the tariff-valued head "Japan Fancies" nearly 50 per cent. contained artificial silk embellishments which were of lower value but were at the moment treated on an equal footing with the plain varieties of the same class. The proposed splitting up would give the trade the requisite relief in respect of the artificial silk embellished qualities.

3. It was proposed to exclude "Kembo" from the head "Spun crepe, all kinds" as it was reported that "Kembo" was an inferior kind of crepe not comparing with the other varities which fell under this head.

The Committee informed the Director-General that they had no comments to offer in connection with the proposals.

ALUM, GLYCERINE, OXALIC ACID, CYCLE TYRES, ETC.

Tariff Classification.

In August 1933 the Director-General of Commercial Intelligence and Statistics asked for the views of the Chamber on the following additions and alterations which it was proposed to make in the existing tariff valued heads:—

Statutory Item No. 38. It was proposed to fix tariff values for the following additional articles:—

(*i*) Alum (lump). The article had a tariff value before the Heavy Chemical Industry (Protection) Act, which had since lapsed, was passed,

(*ii*) Glycerine. It was reported that market value for this article was not easily ascertainable.

(*iii*) Oxalic acid. It was considered desirable to fix a tariff value for this article.

Statutory Item No. 113.

It was proposed to delete the tariff value for Stockholm tar as it was reported that considerable difficulty was experienced in distinguishing between Stockholm tar and other kinds of wood tar.

Statutory Item No. 181.

It was proposed to fix tariff vlaues for (*i*) Copper sulphate; (*ii*) Sodium sulphide and (*iii*) Sodium hydrosulphite.

The first two items were, prior to the coming into force of the Heavy Chemical Industry (Protection) Act which had since lapsed, assessable on a tariff value and the present proposal only restored them to the tariff-valued list. As regards sodium hydrosulphite it was imported in large quantities and was considered to be a suitable item for tariff valuation purposes.

Statutory Item No. 210.

It was proposed to fix tariff values for the following articles :—

(*i*) Cycle tyres, all sizes, from Japan and the Far East.

(*ii*) Cycle tubes, all sizes, from Japan and the Far East.

It was reported that considerable difficulty was experienced in arriving at the market values of these articles.

Statutory Item No. 235.

It was proposed to delete the tariff value for Rice bowls as it was reported that the term was not very clear and was liable to be confused with sugar boiling pans or frying pans used in sweetmeat shops.

After consulting the Import Sub-Committee the Committee informed the Director-General that they were strongly in favour of tariff valuations being fixed for all the commodities mentioned under statutory items Nos. 88, 113 and 181. They considered further that a tariff valuation could easily be fixed for glycerine. The Committee also approved of tariff valuations being fixed for cycle tyres and tubes from Japan and the Far East and they had no objection to the deletion of the tariff valuation for rice bowls.

TRANSFORMER OIL AND MINERAL COLZA OIL.

Tariff Classification.

In May 1933 the Director-General of Commercial Intelligence and Statistics informed the Chamber that it was proposed to fix tariff values for (1) transformer oil and (2) mineral colza oil under statutory item No. 75 next year and asked for the views of the Chamber on the proposal.

The proposal had the approval of those members of the Chamber who were interested in the oils in question and the Director-General was informed accordingly.

MINERAL GREASE.

Tariff Classification.

In August 1933 the Director-General of Commercial Intelligence and Statistics asked for the views of the Chamber on a proposal to alter the tariff classification heading "Mineral grease" to "Lubricating grease."

After consulting members interested the Committee informed the Director-General that they agreed with the proposal.

UMBRELLA RIBS, SOLIDS.

Tariff Classification.

In August 1933 the Director-General of Commercial Intelligence and Statistics asked the Chamber for its views on a proposal to sub-divide the heads "Umbrella ribs, solids" in the manner shown below :—

Solids, 23, 25 and 27 inches—	
From Japan	Tariff value per dozen sets of 12.
From other countries ..	
Solids, 16, 19 and 21 inches—	
From Japan	Tariff value per dozen sets of 8.
From other countries ..	

After consulting the Import Sub-Committee the Committee informed the Director-General that they had no objection to the proposal.

In the Indian Customs Tariff for 1934 the following classification was adopted :—

Umbrella ribs other than nickelled, brassed, fluted or metal tipped—

Solid Flexus, all sizes—

From Japan .. .. } Tariff value per dozen sets of 8.
From other countries .. }

Solids, 23, 25 and 27 inches—

From Japan .. .. } Tariff value per dozen sets of 12.
From other countries .. }

Solids, 16, 19 and 21 inches—

From Japan .. .. } Tariff value per dozen sets of 8.
From other countries .. }

SHARK FINS.

Tariff Classification.

In replying to a reference from the Director-General of Commercial Intelligence and Statistics in September 1932 in regard to a proposal to fix a tariff valuation for shark fins the Committee suggested that the undermentioned classification might be adopted as they understood that there was a very considerable difference in the values of first and second qualities, just as there was between the prices of fresh and salt fins :—

Shark fins 1st quality.
„ „ 2nd „
Shark wings 1st „
„ „ 2nd „
Shark tails 1st „
„ „ 2nd „

In August 1933 the Director-General informed the Chamber that as the nature of the trade in the article in some of the ports was widely divergent some difficulty was experienced in fixing a suitable tariff value at the time. The proposal was accordingly held over for further enquiries. It was proposed that tariff values should be fixed for the following classes of shark fins :—

(*i*) Shark fins, loose or in bundles from Arabian and Persian Gulf Ports.

(*ii*) Sharks fins, clean, edible imported from China and the Straits.

The Director-General asked for the views of the Chamber on the revised proposals.

After consulting the Import Sub-Committee, the Committee informed the Director-General that while they were prepared to drop the suggestion previously made by them that 1st and 2nd qualities of shark fins should be classified, they still felt that separate tariff values would be necessary for fins, wings and tails, owing to the difference in prices. The Committee pointed out that wings were, approximately, only one-third and tails only one-fourth the value of fins.

In the Tariff Schedule for 1934 the following classification was adopted :—

	Per.	Tariff values. Rs. a.
Sharkfins, loose or in bundles from Arabian and Persian Gulf ports	cwt.	4 0
Sharkfins, loose or in bundles from China and the Straits.	lb.	2

"VERMILION, CANTON."

Tariff Classification.

In August 1933 the Director-General of Commercial Intelligence and Statistics asked for the views of the Chamber on a proposal to alter the tariff heading "Vermilion, Canton" to "Vermilion from China." After consulting the Import Sub-Committee, the Committee informed the Director-General that they had no objection to the proposal.

The Director-General at a later date informed the Chamber that in addition to altering the heading "Vermilion, Canton" to "Vermilion from China" in the Tariff Classification it was proposed to alter the tariff value unit from "per box of 90 bundles" to "per lb." and asked for the Chamber's views on the proposal. The Committee informed the Director-General that they had no objection.

CAUSTIC POTASH AND ACETIC ACID.

Tariff Classification.

In August 1933 the Director-General of Commercial Intelligence and Statistics asked for the views of the Chamber on a proposal to fix tariff values for caustic potash and acetic acid. After consulting the Import Sub-Committee the Committee informed the Director-General that they approved of the proposal.

TARIFF VALUATIONS.

Annual Revision.

In accordance with the usual practice the Director-General of Commercial Intelligence and Statistics met representatives of the Chamber on Thursday, 23rd November 1933 and discussed with them his proposals in connection with

the annual revision of the tariff schedule in respect of articles assessed to duty at tariff valuations.

REVISION OF THE LIST OF ARTICLES SPECIFIED IN THE SEA-BORNE TRADE AND NAVIGATION RETURNS OF BRITISH INDIA.

(*See Reports* 1931, *Vol. I, page* 111; 1932, *page* 170.)

In April 1933, the Director-General of Commercial Intelligence and Statistics notified the Chamber that the following changes had been made in the sea-borne trade import returns of British India with effect from 1st April 1933 :—

"*Amplification of the heading Asbestos Manufactures.*"

The following additional sub-head was inserted ;—

Sheets, slates, etc. of Asbestos cement.

The quantities in tons and values in rupees were recorded in respect of this head.

"*Amplification of the heading Machinery and Millwork.*"

A new sub-head—"pumping machinery" was shown in addition to the existing ones. The values only were recorded.

With a view to facilitating the periodical examination of the effects of the Ottawa Trade Agreement on Indian exports, the following changes were made in the returns relating to the exports of Indian merchandise :—

Revision of the classification of iron or steel.

The existing classification was replaced by the following :—

I. *Iron.*—

(*i*) Ore .. .. Ton.
(*ii*) Pig .. .. ,,

iii) Manufactures—

(*a*) Angle, bolt and rod .. .. .. ,,
(*b*) Bars and channels .. .. .. ,,

II. *Steel.*—

Bars .. .. Ton.

III. *Iron or Steel.*—

(*i*) Anchors and cables .. .. Ton.
(*ii*) Hoops and strips .. .. „
(*iii*) Nails, screws, rivets and washers .. .. „
(*iv*) Old, for remanufacture .. .. .. „
(*v*) Pipes and fittings cast .. .. .. „
(*vi*) Sheets and plates .. .. „
(*vii*) Tubes, pipes and fittings wrought .. .. „
(*viii*) Other manufactures of iron or steel .. „

The head Artificial Silk in the import returns was recast as follows :—

Artificial Silk—

(*a*) Artificial Silk Yarn .. .. lbs.
(*b*) Piece goods—
(*i*) Made entirely of artificial silk .. yds.
(*ii*) Made of cotton and artificial silk .. yds.
(*iii*) Made of cotton, embroidered or superimposed with artificial silk .. yds.
(*c*) Other sorts .. .. yds.

The Director-General in November 1933 informed the Chamber that the annual revision of the list of articles to be specified in the sea-borne trade returns of British India was under consideration and enquired whether the Chamber had any suggestions to make regarding additional items the separate specification of which in the trade returns would, in the opinion of the Chamber, appear to be indispensable.

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After consulting the Import and Shipping and Export Sub-Committees the Committee suggested that the following amendments should be made in the sea-borne trade returns :—

(1) Imports of Fish or Whale Oil, hardened, should be shown clearly under two headings ; (*a*) Edible, (*b*) Non-Edible in cwts.

(2) In the Cotton, Manufactured, Piecegoods section, Grey (unbleached) should be given under two headings :—

(*a*) Total of Plain Grey (Unbleached)

From United Kingdom.
,, China
,, etc.,

(*b*) Total of Bordered Grey (Unbleached)
From United Kingdom.
,, China.
,, etc.

(3) In the section giving at present the countries of origin under one head of Coloured, printed and dyed goods, there should be three separate headings ; (*i*) Coloured goods, (*ii*) Printed goods, and (*iii*) Dyed goods.

CUSTOMS SUNDAY WORKING FEES.

(*See Report* 1924, *Vol. I*, *page* 210 ; 1932, *page* 166).

A reference was made in the Report for 1932 to the correspondence that took place between the Associated Chambers of Commerce of India and this Chamber in regard to the levy of Customs Sunday overtime and penalty fees. Later the Associated Chambers addressed the Central Board of Revenue requesting :—

(*a*) that the list of exemptions from penalty fees might be extended to cases where a vessel was compelled to work in order that she might vacate her berth and make room for a waiting vessel or for other similar reasons,

(*b*) that a lower fee might be charged where Sunday work took place only for a short time after 6 A.M.,

(*c*) that in ports where in addition to the penalty fee of Rs. 200 was charged for keeping open the gates, should this be required, the gate fee should be abolished or at any rate reduced and only one fee per gate charged, the amount being divided among the firms using that gate ; and

(*d*) that the existing procedure at Cocanada in the matter of 'boat passing' requiring a minimum of two tally clerks even for one or two boats might be modified so as to reduce the expenses of agents.

With regard to (*a*) the Central Board of Revenue, while admitting that the rule might occasionally operate inequitably, found some difficulty in devising a formula which would not lead to vessels escaping a fee which, in equity, they ought to pay. The Board, however, decided to authorise the Collectors of Customs, for a period of six months, to report specific instances in which they considered that substantial hardship was caused by the operation of the rule. The experience so gained would help the Board to reach a final decision as to what general relaxation, if any, was called for and how it should be expressed.

As regards (*b*), the Board regretted that this concession could not be allowed. It was stated that the object of Sunday fees was to minimise Sunday work in the interest of ships' officers and crew and shore labour, as well as of Customs officers, and even a short period of work on a Sunday was an encroachment upon the leisure of these classes.

With regard to (*c*) the Board agreed that no gate fee should be levied from the agent of a steamer which had paid a penalty fee, when the gates were opened to pass cargo for shipment by that steamer.

As regards (*d*), the Board pointed out that the actual position was that only one tally clerk was posted for three boats or less and two for more than three. If the number of boats was not mentioned in the application for permission to work two tally clerks were posted. The Board did not consider that any amendment of this rule was necessary.

The Board also decided that no penalty fee should be charged when ships machinery or tackle was discharged or

shipped under cover of machinery passes, provided that no supervision over the transactions was required by the rules.

The Committee asked steamer agents to bring to the notice of the Chamber any instances involving hardship in which a vessel was compelled to work on a Sunday, in order that they might draw the attention of the Collector of Customs to them.

Two cases were brought to notice and duly passed on to the Collector of Customs.

The first referred to the Homeward bound P. & O. Mail steamer which had to work on Saturday, 3rd June, (a public holiday on account of the birthday of His Majesty the King Emperor) as under the terms of the Mail contract she had to sail on that day.

The other case referred to a steamer which worked on the 3rd June so as to ensure her departure for Karachi in time for her to return to Bombay to embark passengers on due date.

Intimation was subsequently received from the Collector of Customs that the Central Board of Revenue had ordered that the P. & O. Mail steamers which were required to work on Sundays or close holidays in order to leave port within 24 hours of their arrival in fulfilment of the terms of a mail contract should be exempted from payment of penalty fee. The Board also sanctioned the refund of the penalty fee of Rs. 200 charged from the particular steamer which the Chamber had brought to notice.

In regard to the other case the Board decided that no exemption from penalty fee should be given as the steamer had merely worked on the 3rd June in the interests and for the convenience of the shipping company.

DUTY ON GOODS STOLEN FROM THE DOCKS.

LIABILITY OF STEAMSHIP COMPANY.

(*See Reports*, 1923, *Vol. I, page* 182 ; 1924, *Vol. I, page* 197 ; 1925, *Vol. I, page* 230 ; 1926, *Vol. I, page* 268).

In April 1933 a member drew the attention of the Chamber to the fact that a case containing collar studs was landed from one of their Steamers and subsequently stolen from the Dock sheds. The Customs authorities demanded the Customs duty payable on the goods from the steamer agents as it could not be obtained from the consignee who had not received the package. The steamer agents contended that they were not liable as they had delivered the case into the Dock sheds.

The Committee carefully considered the question in consultation with the Shipping and Export Sub-Committee of the Chamber and in replying to the member stated that presumably the agreement laid down in Rule 197 in connection with Section 85 of the Act, was entered into by the steamer agents with the Customs authorities, and that the former accepted liability for all duties which would or might have been recoverable in respect of missing or deficient goods had the cargo been examined on board. Such being the case, it could not be disputed that the Customs authorities were entitled to claim from the steamer agents the duty on the missing package and that the latter had no legal remedy against the Customs. In view of this the Committee did not think that this was a matter in which the Chamber should intervene.

INFRINGEMENT OF DESIGNS ON PIECEGOODS.

(*See Report*, 1932, *page* 111).

As was mentioned in the Chamber's Report for 1932 the following resolution was moved on behalf of this Chamber

at the annual general meeting of the Associated Chambers of Commerce of India held at Calcutta on the 9th and 10th January 1933 :—

"This Association is of opinion that if the Customs Authorities do not at present have the power under section 18 (*d*) of the Sea Customs Act to detain goods, the designs on which are infringements of designs coming within the purview of the Indian Patents and Designs Act, immediate steps should be taken to amend the law so as to give the Customs Authorities such power."

Copies of the Resolution and of the discussion which preceded its adoption were in due course forwarded to the Government of India by the Associated Chambers.

In this connection a member in February 1933 raised the following points for the consideration of the Chamber :—

(*a*) That the Indian Patents and Designs Act seemed to cover registration of new designs only and did not attempt to safeguard those who had a right to designs by importation over a series of years. This class of design seemed particularly open to infringement and the member was not sure that the alteration of the Sea Customs Act which the Chamber had recommended would secure all the protection that was required.

(*b*) The member enquired as to what provision there was in the Act to prevent a party from registering as new, in Calcutta, a design which had been previously imported by some other party to another port ?

(*c*) The member stated that an Act of this kind, unless very carefully considered in all its aspects by experts, was liable to constitute a danger rather than a safeguard to legitimate trade. The Calico Printers' Association had always protected their clients by refusing to supply to other designs which one party had initiated, but they drew up alternative designs with slight modifications for the new order. In practice this method had worked to the satisfaction of the trade, and the question now arose as to whether such modification of designs would be deemed to be an infringement of a registered design by persons in India, considered by the Government as competent to adjudicate on questions raised under the Act.

(*d*) The member added that he noticed that the registration fee for designs was Rs. 3 and in view of the existing financial straits of the Government of India, he did not think that a fee of Rs. 10 would be a hardship if the registration of designs could be made an effective safeguard for legitimate trade.

After consulting the Import Sub-Committee the Committee in replying to the specific points raised by the member stated :—

(*a*) Whereas under section 18 (*d*) of the Sea Customs Act it was possible for the Customs Authorities to detain goods bearing an infringement of a trade mark, no such provision existed in the case of a design, and the resolution adopted at the recent annual general meeting of the Associated Chambers of Commerce of India was intended to remedy this. As regards the registration of old designs which had been "previously published" in India a representation had already been made by the Bengal Chamber to Government on the subject.

(*b*) The owner of an unregistered design "previously published" could obtain cancellation of registration of the design by another party on proving that the design was not new or original. (*Vide Section* 51 (*a*) (*iii*) of the Patents and Designs Act.)

(*c*) The Committee agreed that amendments of or additions to the Patents and Designs Act would require very careful consideration. The official who in the first place would have to decide whether a design presented for registration was or was not a colourable imitation of one already registered would presumably be the Controller of Patents and Designs. If a second applicant had his registration refused on the ground that a similar design had already been registered he had redress under section 51 (*g*) if he could prove "previous publication." If he could not prove that, but considered his design was not an infringement of one already registered he was still at liberty to import the design and risk a suit in the High Court to decide the point.

(*d*) The Committee agreed to a higher fee being charged for registration provided the increased revenue to Government would lead to the enactment of legislation which would be an effective safeguard to legitimate trade and that the higher charge would prevent frivolous registration.

In February 1933 the Bengal Chamber suggested to the Government of India that section 18 of the Sea Customs Act should be amended so as to include in the list of goods now prohibited to be imported into British India, piecegoods having designs thereon unless the country of origin and manufacture was clearly indicated on their selvedge or otherwise at intervals of not more than one foot throughout the entire length.

The Government of India in replying to the Bengal Chamber stated that the principle of the Indian Merchandise Marks Law as it stood at the moment in respect of indications of origin was that it was not necessary that goods should be marked with the name of the country in which they were produced or manufactured unless they bore a trade mark or trade description suggestive of a different origin. The proposal made by the Bengal Chamber involved a reversal of this principle, in that it required the application of an indication of origin to goods which admittedly bore no false indication of their place of origin or manufacture. The proposal, moreover, was confined to one class of goods only, namely, piecegoods bearing designs. Whatever might be said for requiring indications of origin on imported goods in general in the interests of the Indian consumer, it appeared to the Government of India to be unjustifiable to single out any particular class of goods for such treatment, especially when the object of the proposal was not so much the protection of the consumer as the protection of the owners' long established design. Further, the actual effect of the proposal would in practice be to penalise the innocent manufacturer unnecessarily along with the manufacturer who pirated designs. In the circumstances, the Government of India regretted that they were unable to accept the proposal which

in fact sought to amend the Indian Merchandise Marks Act and the Sea Customs Act to fulfil a purpose for which they were not intended.

The Government of India in replying to the Associated Chambers stated that after giving the suggestion contained in the resolution careful consideration they were unable to accept it and forwarded a copy of the reply sent to the Bengal Chamber's representation.

The Committee in addressing the Associated Chambers again in the matter stated that in their opinion the arguments adduced by the Government of India for rejecting the suggestion of the Bengal Chamber had little force or relevance when applied to the resolution adopted at the annual general meeting of the Associated Chambers. The former dealt merely with the question of indicating the country of origin on imported piecegoods, whereas the latter dealt with a method of preventing or at least checking an infringement of an existing Act by the pirating of established designs. The Committee felt that if the law did not admit of measures to check such infringement from which the consumer suffered as well as the owner of the printed design, it clearly should be amended and Government had given no reasons for refusing to accept the suggestion of the Associated Chambers.

The Committee considered that the Associated Chambers should again take the matter up strongly with the Government of India, pointing out that no reasons had been given for rejecting a demand which was backed by all responsible trade opinion in India.

A resolution similar to that submitted on behalf of the Bombay Chamber at the annual general meeting of the Associated Chambers held on the 9th and 10th January 1933,

was submitted to the annual general meeting of the Associated Chambers held on the 8th and 9th January 1934.

EXPORT DUTY ON TEA.

In July 1933 the Government of India informed the Chamber that the Indian Tea Cess Committee after consulting tea interests in both Northern and Southern India had suggested that the rate of cess leviable on Indian tea exported to any port beyond the limits of British India or to Aden should be raised from annas six to annas eight per 100 lb. The Committee explained that while the object underlying the proposal was to raise additional funds to enable propaganda work in America, the United Kingdom and India to be carried on to the fullest possible extent, the immediate necessity for the increase proposed arose as a direct result of the tea restriction scheme the effect of which was to reduce considerably the income derived from the cess. Before giving effect to the proposal the Government of India enquired whether the Chamber had any objections to raise.

The Committee in reply informed the Government of India that they did not desire to express any opinion on the proposal.

REFUND OF EXCISE VEND FEE.

EXAMINATION OF CASES OF LIQUOR DESPATCHED UP-COUNTRY BY RAIL.

In August 1933 the Committee addressed the Commissioner of Excise drawing attention to the fact that when consignors despatched wines and spirits to up-country stations they were entitled to a refund of the excise vend fee in certain cases and when this was claimed the various documents were examined

at the Railway Goods Depot by an excise officer, who before certifying was entitled to open and examine at least 10 per cent. of the quantity tendered for despatch. The rule under which this examination was made was framed, the Committee believed, with the object of preventing sharp practice by consignors.

As this systematic examination of cases caused considerable hardship and expense to consignors the Committee enquired whether it was possible for an exception to be made in the case of all leading and well-known wine merchants who, they felt, should not be handicapped by restrictions and formalities which were really intended only to apply to firms of less reliable status.

The Commissioner in reply stated that rule 4 of the rules for the grant of refund of vend fees on foreign liquor exported from the Presidency required that the examining officer before whom the consignment was produced should open and examine at least 10 per cent. of the packages and satisfy himself that the description and quantity of the liquor declared in the application were correct. Such examination was essential since the packages were brought from the exporters' private godowns where they had been opened for verification, replacement of breakages, etc., and repacked. The Commissioner stated that it often happened that the contents of packages opened by the examining officer did not tally with the declaration in the application. Sometimes the quantity was less or wines were found instead of spirits. As the vend fee on spirits, wines or beer differed widely it was very necessary to enforce the examination in order to safeguard the excise revenue. The Commissioner added that it was not possible to accord differential treatment to leading firms as that would be bound to give rise to protests from those differentiated against.

OPENING OF THE EXCISE OFFICES VEND FEE ON CLOSE HOLIDAYS.

(*See Reports*, 1931, *Vol.* 1, *page* 140 ; 1932, *page* 176.)

Intimation was received from the Government of Bombay in June 1933 to the effect that the experimental arrangement under which a Divisional Excise Inspector or his assistant was deputed for a few hours on holidays for the examination of consignments of foreign liquor intended for export without the exporters of such liquor being called upon to pay overtime allowance, had been sanctioned as a permanent measure.

RAILWAY EXPENDITURE.

The Associated Chambers of Commerce of India in July 1933 drew the attention of this Chamber to the report of the debate in regard to railway expenditure which took place at the annual meeting of the Association in January 1933 when the following resolution was adopted :—

"This Association, whilst recognising the efforts which have recently been made by the Government of India to provide for railway maintenance and repair, desires to urge the importance of avoiding any delay in undertaking such further programmes as will ensure that the railways will be in a position efficiently to handle the increased traffic, when a revival of trade occurs. In making this recommendation, the Association has particularly in mind the fact that contracts can now be placed on exceptionally favourable terms."

The President asked the constituent Chambers to examine the whole question with a view to putting forward the provincial projects which they considered necessary for the development of the provinces and at the same time likely to prove remunerative to the railways.

The Committee discussed the question with the Agents of the two railways serving Bombay and received the assurance

of the Agent of the G. I. P. Railway that he had found no difficulty in obtaining sanction to expenditure on any scheme which he could show to be financially justifiable.

RAILWAY RISK NOTES.

(*See Reports*, 1920, *Vol. I, page* 117 ; 1921, *Vol. I, page* 110 ; 1922, *Vol. I, page* 171 ; 1924, *Vol. I, page* 213.)

When the Committee of the Chamber met Mr. P. R. Rau, Financial Commissioner of Railways, on the 3rd May 1933, they placed before him certain grievances of the trade in regard to the wording of Railway Risk Notes, and more especially the question of "the onus of proof" in the case of damage or shortages under such notes. In addressing Mr. Rau on the subject at a later date the Committee stated that they had not lost sight of the revision of the Railway Risk Notes which took place in 1922 but pointed out that the Risk Notes as then revised fell very far short of what the trade considered an equitable solution of the very controversial question of "onus of proof."

On that occasion, the Chamber pointed out that it was only right and just that the Carrier should assume the responsibility of the burden of proof, for in the nature of things it was virtually impossible for the consignor to be in a position legally to prove wilful neglect on the part of the administration, more especially when in course of transit the goods were carried over different railway systems.

The Committee added that as mentioned at their interview a further grievance of the trade with respect to Risk Notes was in regard to the manner in which certain Railways demanded Risk Notes for particular reasons such as insufficient covering in the case of raw cotton and then under cover of the Risk Note repudiated claims for damages arising from

causes which would have damaged the consignment in any case. As an example of such complaints the Committee forwarded statements giving a few typical and concrete cases and stressed the point that no coverings to cotton bales however sound would protect them against damage by oil, water or coal dust.

The Committee felt that the governing principle should be that " the goods should be delivered in the same condition as received " and that railways should not have the power of shielding themselves behind the clauses of a risk note in repudiating such damages and throwing the onus of proof on to the consignor.

The Committee expressed a hope that this matter would receive the sympathetic consideration of the Railway Board and lead to an eventual amendment of the Railway Risk Notes.

The Director, Railway Board, in referring to the Chamber's letter to the Financial Commissioner of Railways, stated that the Board, after careful consideration, did not consider that any alteration in the wording of the Risk Note Form A so as to place the ' onus of proof ' on Railways was called for. It was added that in coming to this conclusion, the Railway Board had borne in mind the fact that Risk Note A was somewhat amplified to the advantage of consignors so recently as 1924 in accordance with the recommendations of the Railway Risk Note Committee of 1922.

As regards the alleged abuse of these Risk Notes, the Railway Board stated that they were addressing Railways with a view to ensuring that Risk Note Form A was not taken without sufficient cause, and that when such a Risk Note was held undue advantage was not taken of it when a claim for damages *en route* was preferred.

In reply to the Director, Railway Board, the Committee stated that they were pleased to note that steps were being taken by the Board, but stated that they were unable to agree with the statement that a form of Risk Note adopted ten years ago might not be due for revision. As pointed out to the Financial Commissioner of Railways the Risk Note as revised in 1922 fell very short of what the trade considered an equitable solution of the very controversial question of "onus of proof."

The Committee submitted the following resolution on the subject for inclusion in the agenda of the annual meeting of the Associated Chambers of Commerce of India held in January 1934 :—

This Association requests the Government of India to direct the Railway Board to review the terms in which Railway Risk Notes are at present drawn. The Association urges that the wording of these notes should be so amended as—

(*a*) to lay upon the railway administrations the burden of proof that loss of, or damage to, goods consigned was not due to misconduct on the part of their servants ;

(*b*) to ensure that, in dealing with claims for loss or damage, railways shall not be able to repudiate liability on the strength of endorsement of risk notes at the time of despatch unless the loss, or damage is directly attributable to conditions noted in the endorsement ; and

(*c*) generally to incorporate the principle that the railway shall be under obligation to give delivery of consignments in the same good order and condition in which they were tendered for despatch.

The resolution was adopted unanimously.

RAILWAY RECEIPTS AS NEGOTIABLE INSTRUMENTS.

(*See Reports*, 1886, *pages* 63, 452 ; 1887, *pages* 25, 79 ; 1888, *pages* 24, 102 ; 1889, *pages* 43, 261 ; 1890, *pages* 177, 429 ;

1904, *pages* 68, 436; 1906, *page* 53; 1907, *page* 38; 1908, *pages* 41, 265; 1932, *page* 189.)

It was mentioned in the Chambers' Report for 1932 that the Committee in reply to a reference from the Associated Chambers supported the recommendation of the Indian Central Banking Enquiry Committee that railway receipts should be placed on the same footing as bills of lading, *i.e.* given the legal status of a negotiable instrument.

The Associated Chambers subsequently forwarded to the Chamber a copy of a letter that had been addressed to the Railway Board submitting copies of the replies received from the constituent Chambers on the subject. From the latter it appeared that the views of the Chambers differed to a considerable extent and the President informed the Railway Board that owing to this diversity of opinion it was not possible for the Associated Chambers to express a definite opinion on the proposal. In replying to the Associated Chambers the Committee stated that they agreed with the view of the President as stated above but suggested that if possible an opportunity should be taken of raising the question during the course of the debate on the Railway Budget.

The President of the Associated Chambers stated in reply that in view of the diversity of opinion among the Associated Chambers on the question he doubted whether it would be possible for the Associated Chambers' representative in the Assembly to raise the question; and if it was brought up at all he felt that some other member of the Assembly would have to be asked to take the initiative. The President considered however, that it would not be profitable to raise the question at all, because if the representative of one point of view spoke on his side, it was clear that an equally definite opinion to the contrary would be expressed by a representative of the other point of view.

The Committee, however, suggested to the European Group in the Assembly that if a suitable opportunity occurred during the discussion of the Railway budget it might perhaps, in their opinion, be profitable to raise the matter.

TENDER AND CONTRACT FORM OF THE B. B. & C. I. RAILWAY.

(*See Report*, 1932, *page* 190.)

A reference to the Report for 1932 will show that the Chamber had made representations to the B. B. & C. I. Railway in regard to the terms of the tender and contract form in use by the Railway which were inconsistent with the typewritten notes at the end of the Schedule appended to the form.

In February 1933 the B. B. & C. I. Railway intimated that under the advice of their solicitors they had revised certain clauses in their tender and contract form and forwarded to the Chamber a statement showing some of the existing and proposed clauses.

The proposed clauses were regarded as satisfactory by the Committee, but they suggested that a prominent notice might be inserted in close proximity to the place where the contractor signed his tender form reading somewhat on the following lines :—

"Particular notice is drawn to the conditions of Clause 8 read with Clause 22 in the matter of quantities which may be accepted and/or purchased."

CONTACT BETWEEN RAILWAYS AND TRADE INTERESTS.

In August 1933 the Agents of the B. B. & C. I. and G. I. P. Railways informed the Chamber that a suggestion

had been made that considerable advantage would be likely to accrue to all concerned from an improvement in the contact between the Railways in Bombay and representatives of important trade interests. The suggestion was placed before the Local Advisory Committees of both the B. B. & C. I. and G. I. P. Railways, which resulted in the further necessary examination of the subject being made by a joint sub-committee from both the Local Advisory Committees.

The joint sub-committee held the opinion that the proposal was one which should be pursued, and this opinion was confirmed by both the Local Advisory Committees. The joint sub-committee considered that owing to the large number of trade associations in Bombay, it would be advisable to form groups of kindred trades as far as possible, and for the representatives of each of these separate groups to meet the Agents of the two railways at stated intervals to discuss subjects which either the groups or the Agents proposed, and suggested that each group be asked to form a small committee with a Chairman to meet the Agents of the two railways in rotation, monthly.

It was also considered that the sub-committee of each group would require to meet and decide the organisation for their individual group concerned and later, to discuss amongst themselves matters advanced by their members for representation at the meetings with the two Agents, so that the sub-committee would submit for discussion only those subjects which they felt were justifiable. It would be understood that subjects which had not been represented previously by individuals for consideration of the departments of the railways concerned should not be included in the agenda for discussion with the two Agents. This condition was felt to be necessary, so that the unavoidable delay involved

in the examination of a subject, *ab initio*, would not occur. Further, reasonable notice should be given, (not less than one month) of the subjects to be discussed, before the meetings with the two Agents were held.

The Local Advisory Committees of the two railways having accepted these suggestions of their joint sub-committee, the Agents invited the co-operation of the Chamber in furthering them and asked the Chamber to nominate a representative to attend a general meeting with the joint sub-committees of the B. B. & C. I. and G. I. P. Local Advisory Committees and the Agents in the near future, so that the matter might be further discussed and the present proposals be accepted or amended as the sense of the proposed meeting might require.

The Committee in reply informed the Agents of the Railways that they agreed generally with the idea underlying the proposals and with the suggested scheme for giving it effect. They added that they would be very willing to do all they could to make it a success and nominated Mr. L. A. Halsall to attend the proposed meeting as the Chamber's representative.

NIRA VALLEY.

Sugar Factory Development and Communications.

Early in 1933 the Railway Board and the Government of Bombay deputed two executive engineers to enquire jointly and report on the matter of communications, rail and road in the Nira Valley particularly with reference to sugar factory development. These officials asked for the opinion of the Chamber on the following points :—

(1) What would be the best type of transport for the development of this area ?

(2) Hence, what improved, new or extensions of existing communications are desirable ?

(3) What are the lines of distribution of foreign sugar from Bombay at present ?

(4) What are likely to be the probable lines of distribution of ugar from the Akluj area ?

(5) Are future irrigation and sugar factory development in the Nizam's Dominions, Mysore and Madras likely to affect factories in the Akluj area competitively. If so, how in regard to the direction of flow of sugar from Akluj factories ?

(6) It is understood that if suitable communications be provided, sugar factories are likely to be started immediately. Can you confirm this in any way ?

After consulting the Agriculture Sub-Committee, the Committee gave the following specific replies to the above questions :—

(1) Primarily, Railway transport—Secondarily, Roads.

(2) Broad-gauge Branch Line from Kurduwadi traverses the whole of the sugar tract.

(3) G. I. P. Railway to the North and South of the Presidency and the M. & S. M. from Poona.

(4) G. I. P. to Poona, Sholapur, Raichur, etc., M. & S. M. to Belgaum, Dharwar, Satara, etc., Barsi Light Railway from Pandharpur to Miraj and the projected railway Lonand (M. & S. M. Metre-gauge) and Pandharpur (B. L. R.).

(5) There is a possibility of sugar development in Hyderabad and one factory is being erected in Phaltan State but there is ample scope for many others if this all important question of transport can be overcome. There is a large undeveloped area suitable for sugar cane without any facilities for transport.

(6) The Committee are informed that two or three people have already surveyed the land but will not proceed with the erection of factories or the formation of companies because of the lack of transport facilities.

In conclusion the Committee recommended that the importance of supplementary road communication should not be lost sight of.

The Public Works Department of the Government of Bombay in October 1933 forwarded to the Chamber a copy of the report on the Nira Valley Communications by Messrs. W. A. Evershed and R. O. C. Thompson, the two Executive Engineers referred to above, and asked for the views of the Chamber on the recommendations made in the report so far as they referred to the provision of railway communication in the area. The following is a brief summary of the recommendations :—

(1) Construction of a 2'-6" gauge railway from Baramati passing through (or near) Asu, Dharampuri, Nateputa, Malsiras, Akluj and Velapur to Pandharpur.

(2) Construction and completion of the road from Phaltan to Baramati station.

(3) Improvement of the road from Akluj to Sangam.

(4) Increased maintenance grant for the road from Lonand to Phaltan.

(5) Speedy consideration and carrying out of the proposals.

The Committee in reply mentioned that the report was the work of two Executive Engineers, one from the Indian State Railways and the other an officer of the Public Works Department, and it had been written as a result of a personal tour of the district. The Committee could only assume therefore that (*a*) the claims of road, as against railway transport, had been fully considered, and (*b*) that the facts given were correct, and that the estimates, etc., based on them were as accurate as could be made.

It seemed to the Committee that the recommendations summarised in the last paragraph of the report were likely

to meet, better than any alternatives that had been suggested to them, the needs of the case, which were the immediate provision of transport in the Nira Valley. The main recommendation was the construction of a narrow gauge railway from Baramati to Pandharpur, and the route proposed, as far as the Committee were able to judge from the map, seemed to tap the whole area fairly effectively.

It had been suggested to the Committee that it would be more desirable to construct a broad gauge railway instead of a narrow gauge, as the bulk of the sugar traffic was, or would be, consumed in towns stationed on the broad gauge and the delay and expense of transhipment would thus be avoided. The convenience of broad gauge was admitted in the report, but, apart from the increased capital outlay, it appeared from paragraph 64 of the report that the running expenses of a broad gauge line were so much greater than of a narrow gauge railway that the former was out of the question. A comparison of capital cost could be deduced from Table V in paragraph 157. No doubt this could be reduced by limiting the length of the line and constructing the line from Kurduwadi to Akluj only in the first instance and extending it as and when traffic justified this being done.

The narrow gauge railway suggested in the report would presumably start at the Eastern end of the valley *i.e.*, the section Akluj/Velapur/Pandharpur (65 per cent. of the proposed sugar area being concentrated around Akluj), but subsequent extension westwards would be possible and, if this were not required, the capital cost would of course be correspondingly reduced.

The proposals for the construction and improvement of feeder roads appeared sound, and it seemed clear to the

Committee that a combination of railway and roads was the right solution. It was pointed out, however, in the report that even the best of the existing roads were not fit for more than light lorry traffic, and that none of them could be kept permanently open throughout the monsoon.

FUNICULAR RAILWAY IN NANE GHAT.

In September 1933 the Deccan Engineers, Ltd., asked for the support of the Chamber to a proposal that was being placed before the Bombay Road Board for the construction of a funicular railway in Nane Ghat. The Committee in reply informed the Deccan Engineers, Ltd., that the scheme did not appear to them, as then advised, to command support, and the Chamber's representative on the Bombay Road Board had been instructed accordingly.

BOMBAY-SIND CONNECTION RAILWAY.

(*See Reports*, 1906, *page* 44 ; 1907, *page* 31 ; 1908, *page* 43 ; 1922, *Vol. I, page* 164 ; 1929, *Vol. I, page* 163 ; 1930, *Vol. I, page* 128.)

In September 1933 the Committee addressed the Railway Board and pointed out that when the scheme for the construction of the Bombay Sind Connection Railway was under consideration in 1922, the then Committee of the Bombay Chamber, while they were on general grounds in favour of the extension, recorded their doubt whether the undertaking would be a profitable one from the goods traffic point of view, and suggested that any advantage likely to be derived would be confined to the travelling public and the postal authorities, who would undoubtedly benefit by the reduction in transit time between Bombay and Karachi.

So far as mails were concerned, it was clear that the development of air services had already nullified this argument and it might be expected that before long the same would in some measure be true of passenger traffic. The Committee were accordingly disposed to wonder whether the scheme, which it seemed to be generally accepted should proceed, was one which really fulfilled the financial conditions laid down by the Hon'ble the Finance Member of the Government of India who had declared that one of the essential criteria in Government's programme of capital expenditure was that Government must adhere to the policy of not regarding any schemes as suitable objects for capital expenditure which were not economically sound and productive. The Committee understood that the project was surveyed through the agency of the North Western Railway and was at the moment being examined by that Railway and by the Railway Board. As the Board would thus be in possession of the most up-to-date information in regard to the goods and passenger traffic to be expected when the line was opened, the Committee asked the Board if it could give them any reassurance in this regard.

It had also been suggested to the Committee that the opening of this connection might have the effect of encouraging still further the diversion of traffic to the Kathiawar State ports at the expense of Bombay, and even of Karachi. They pointed out thatthere might well be some reason to apprehend that a chord railway of this kind, meeting the Kathiawar connections about midway between Sind and Bombay, might be tapped at that point by the railways of the Kathiawar States, and traffic, which might normally be expected to come to Bombay, might seek the cheaper outlet from Bhavnagar and other ports. Similarly the consideration of low port charges might tend to attract trade southwards to Kathiawar

which would otherwise be shipped from Karachi. The Committee assumed that neither of these developments would be welcome to the railways in British India any more than they would suit the ports of Bombay and Karachi, and they asked the Railway Board for its views on this aspect of the question also.

The Railway Board in reply informed the Chamber that they were awaiting the receipt of the report on the traffic survey of the proposed Bombay Sind Connection Railway together with the views thereon of the North Western Railway Administration and that until these had been received and considered by the Board, the latter were unable to express any opinion on the merits of the project, whether it was likely to be remunerative, or whether it was likely to divert traffic from ports in British India to Kathiawar State Ports.

RAILWAY RATES FOR PAINTS AND VARNISHES.

(*See Report* 1932, *page* 188.)

It was mentioned in the Chamber's Report for 1932 that the Committee had supported a representation from certain manufacturers of paint for the amendment of the classification for railway freight purposes of oil or spirits, turpentine, turpentine substitutes, spirit varnish, enamels and enamel paints. The Chamber was informed in February 1933 that the Commercial Committee of the Indian Railway Conference Association did not recommend any alteration in the existing classification of the above-mentioned articles.

RAILWAY RATES FOR MOWHA OIL & TARA SEED OIL.

In March 1933 the Indian Railway Conference Association asked for the views of the Chamber on a proposal that had

been made to the Commercial Committee that Mowha Oil and Tara Seed Oil should be indexed in the General Classification of Goods to Oils, Division C and that Sohan and Jambhu Seed Oils be shown as synonyms for Tara Seed Oil in the list of synonyms, trade names, etc.

The Committee after consulting the Docks and Railways Sub-Committee informed the Indian Railway Conference Association that they considered the proposed classification of Mowha Oil and Tara Seed Oil to be reasonable.

RAILWAY RATES FOR COTTON FROM SOUTH INDIA TO BOMBAY, AHMEDABAD, ETC.

In November 1933 the Indian Central Cotton Committee asked for the views of the Chamber on a reference that had been received from the Chief Traffic Manager of the G. I. P. Railway in connection with the railway rates on full pressed cotton from stations on the South Indian Railway to Bombay, Ahmedabad and other mill centres.

The Chief Traffic Manager asked that he might be furnished with the names of the tracts which, producing as they did the best Cambodia and improved Karungannies cotton in excess of the requirements of mills situated in the Coimbatore, Tinnevelly and Madura districts, were capable of despatching such surplus cotton to the abovementioned mill centres in this Presidency to replace imported East African and American cotton. He also asked to be furnished with the names of stations serving the above tracts, and the mill centres in India other than Bombay and Ahmedabad to which the quotation of special rates had been suggested.

The Chief Traffic Manager also enquired as to the rates which would be suitable from each of the stations on the S. I.

Railway to each of the mill centres referred to and how the same had been arrived at.

After consulting the Special Cotton Sub-Committee the Committee informed the Indian Central Cotton Committee that the names of the tracts producing the best Cambodia and improved Karungannies cotton in excess of the requirements of the local mills and capable of despatching such surplus cotton to other mill centres and the stations serving such tracts were, in the opinion of the Committee, Coimbatore, Tirupur, Satur, Virudhunagar and Dindigul.

The Committee added that mill centres in India other than Bombay and Ahmedabad to which special rates might be quoted were Cawnpore and Sholapur.

The Committee were not in a position to give an answer to the specific question asked by the Chief Traffic Manager, G. I. P. Railway, in regard to rates, but they suggested that as an experiment the Railway Companies might increase the railway freight from Tirupur and Coimbatore to Calicut and reduce the through rates from Coimbatore, Tirupur, Satur, Virudhunagar and Dindigul to Sholapur, Bombay, Ahmedabad and Cawnpore.

SURCHARGE ON RAILWAY FREIGHT ON COAL.

(*See Reports* 1925, *Vol. I, page* 27 ; 1928, *Vol. I, page* 170 ; 1929, *Vol. I, page* 150 ; 1932, *page* 183).

In September 1933 the Associated Chambers of Commerce of India enquired whether this Chamber approved of a suggestion of the Upper India Chamber that the Association should urge on Government the desirability of removing or at least reducing considerably the existing 15 per cent. surcharge on coal freights.

The Committee in reply mentioned that in November 1931 when the proposal to introduce the surcharge was under consideration a previous representation from the Upper India Chamber was circulated to the other constituent Chambers. The view then taken by this Chamber and by others, was that, while the imposition of the surcharge could only be considered objectionable, the financial position of the Railways was such that it must be accepted. Present conditions were different. The published figures of Railway traffic returns showed that, since 1st April 1933, gross earnings had increased by Rs. 80 lakhs, against an increase in the same period of Rs. 20 lakhs, in working expenses. This improvement in six months of Rs. 60 lakhs net, was precisely the amount which, the Committee understood, it was estimated that the surcharge would provide in a full year by way of additional revenue. This being so, it would appear that the time might be ripe for some substantial remission, if not for the total removal, of the surcharge.

The Committee added that on the understanding that such a step would not involve increase of railway charges in other directions, they were in favour of the Associated Chambers making a representation to the Railway Board as suggested. A letter on these lines was subsequently addressed by the Associated Chambers to the Railway Board.

In this connection the following amended resolution was adopted at the annual general meeting of the Associated Chambers held on the 8th and 9th January 1934 :—

"This Association is of opinion that the indications of an improvement in the financial position of the Railways are such as to justify the removal, or in any event the considerable reduction, of the present 15 per cent. surcharge on coal freights, the imposition of which, as an emergent measure, has gravely handicapped Indian industry especially in those parts of India remote from the coalfields

and the seaports; the abolition of or any reduction in the 15 per cent. surcharge should not involve the increase of railway charges in other directions."

RAILWAY CLASSIFICATION OF KAMACH OR KOUNCH SEEDS.

In May 1933 the Indian Railway Conference Association asked for the views of the Chamber on a proposal to classify Kounch seeds as "Drugs, country."

After consulting the Docks and Railways Sub-Committee the Committee informed the Indian Railway Conference Association that there was a seed known in Bombay as "Kounch Bee" which might or might not be the same as that referred to above. The former seed came from Gujerat territory and was used for the preparation of a drug and would appear to be chargeable as "Drugs, country."

RAILWAY CLASSIFICATION OF JUTE TWINE.

In July 1933 the Indian Railway Conference Association asked for the views of the Chamber on a proposal to classify jute twine separately under 2 RR in the general classification of goods and to index it to Gunnies.

From enquiries made by the Committee it appeared that the suggestion was made to enable bales of gunnies and jute twine combined to be booked at the special reduced rates for gunnies in force from time to time over various railways. Such being the case the Committee agreed with the suggestion which they considered would constitute a facility to the trade.

RAILWAY CLASSIFICATION OF TYRES, IRON AND STEEL.

In May 1933 the Indian Railway Conference Association asked for the views of the Chamber on a proposal to include

"Tyres—iron or steel" under the head "Iron or Steel, Division B" in the General Classification of Goods.

After consulting the Docks and Railways Sub-Committee the Committee informed the Indian Railway Conference Association that they agreed with the proposal.

RAILWAY CLASSIFICATION OF ROUMANIAN AND RUSSIAN OILS.

In June 1933 the Indian Railway Conference Association asked for the views of the Chamber on a proposal that had been placed before the Commercial Committee for the revision of the entry of petroleum and other hydro-carbon oils, non-dangerous, in the General Classification of Goods as under :—

Petroleum and other hydro-carbon oils, non-dangerous, *i.e.*, having a flashing point at or above 76° Fahr.

As under
Crude oil
Gas oil
Liquid fuel

Kerosene or paraffin oil, non-dangerous and other illuminating oils S/23.

The symbol S/23 should be defined as follows :—

An illuminating oil is an oil which can burn in an ordinary hurricane lantern for more than 4 hours at 86° F.

It was stated that the proposal had been made owing to the importation of a superior type of oil of Russian and Roumanian origin which was being marketed as an illuminant in competition with kerosene oil.

The Committee asked the Indian Railway Conference Association to defer taking action until the results were

known of the investigations that were being made, it was understood, by the Government of India with a view to laying down an accurate definition of kerosene.

The Commercial Committee for Interchange of the Indian Railway Conference Association subsequently passed the following resolution in the above connection :—

"The Commercial Committee for Interchange in examining the question of the classification of Russian and Roumanian oils have carefully considered the reference from the Railway Board and the opinions of—1. the railways concerned, 2. the Chief Inspector of Explosives, 3. the oil trade, and 4. the representative commercial bodies.

It appears to the Committee that the problem of classification of these oils arises from two causes, namely,

(*a*) the importation of an oil which though it is declared to be a fuel oil yet is not only suitable for, but is actually sold for use as an illuminant, and

(*b*) the charging of a higher rate for kerosene oil which has hitherto been the mineral oil solely used as an illuminant, than for fuel oil.

They are of opinion that railways have been justified in acting in accordance with established practice by charging these commodities at the highest rate applicable to them in the main head in the General Classification of Goods in the absence of an authoritative pronouncement as to their exact composition and use, and in view of the fact that they were not accepted by the Customs Department as fuel oil.

Furthermore, experience shows that these oils are being used widely in substitution for kerosene oil and are advertised as such by the up-country agents responsible for their retail distribution.

Whilst, therefore, there have been good grounds for charging these oils at the same rates as for kerosene oil, the Commercial Committee are of opinion, in view of the fact that these oils have now been authoritatively pronounced as having the characteristics of fuel oil and have been recommended by the Chief Inspector of Explosives for carriage as such in accordance with the existing method of classification, railways should follow the English practice by applying the lower charge to oils having a flashing point of over 15° Fahr.

A final decision of this question hinges upon the ability to distinguish between an oil that is an illuminant and is, therefore, believed to be capable of bearing a higher charge, and one that is not, and the Commercial Committee are of the opinion that early steps should be taken towards devising an appropriate formula for the indentification of illuminating oils to permit their classification as distinct from fuel oils so that loss of railway revenue may be prevented."

It was understood that a satisfactory test had been found for these oils and their classification would probably, therefore, be further discussed at the next Meeting of the Commercial Committee to be held in February 1934.

Bearing on this question it might be mentioned that a *Bill was passed by the Central Legislature in December 1933, which had for its object the amendment of the Import Tariff so as to apply the rate of duty prescribed for kerosene to all other mineral oils (excepting motor spirit) which evinced, when tested by a standard lamp, a prescribed minimum illuminating capacity, and could therefore be used as substitutes for kerosene for burning in lamps.

RAILWAY CLASSIFICATION OF CONDEMNED PETROL CANS IN PIECES.

In July 1933 the views of the Chamber were desired by the Indian Railway Conference Association on a proposal that petroleum cans in pieces should be charged at 2nd class rates instead of 1st class rates in view of the fact that condition S/21 attached to "iron scrap" laid down that the term applied to scraps or pieces of metal having value for remelting purposes only and that the petroleum cans in question were not consigned for remelting purposes but for making small suit cases.

The Committee after consulting the Docks and Railways Sub-Committee informed the Indian Railway Conference

* See page 143.

Association that in their opinion the charging of petroleum cans in pieces at the 1st class rate did not necessarily conflict with Condition S/21.

RAILWAY CLASSIFICATION OF EMPTY DRUMS, EMPTY PETROL TINS AND EMPTY KEROSENE OIL TINS.

In May 1933 the Indian Railway Conference Association asked for the views of the Chamber on a proposal to raise the classification of empty drums, empty petrol tins and empty kerosene oil tins from Class 1 at R.R. to Class 2 R.R. for empty drums and petrol tins and Class 4 R.R. for empty kerosene oil tins.

The Committee after consulting the Docks and Railways Sub-Committee and members interested drew the special attention of the Indian Railway Conference Association to the fact that very high rate classifications were at the moment applicable to mineral oil of all kinds. The oil industry thus already contributed very substantially towards railway revenues and the high freights paid on petrol and kerosene consignments should, it was felt, fully compensate the Railways for any loss that they might make in the traffic on returned empties. It appeared to the Committee unreasonable that the railways should consider the question merely from the point of view of the freight earned on the empties *per se* without having regard to what had already been earned and would be earned again, on their contents when full.

The Chamber was informed at a later date that the Commercial Committee of the Indian Railway Conference Association did not approve of the proposal.

RAILWAY CLASSIFICATION OF GROUNDNUTS.

In November 1933 the Indian Railway Conference Association asked for the views of the Chamber on a claim of the Rice and Grain Merchants' Association, Madras, that the classification of groundnuts should be the same as linseed, castorseed, etc. After consulting the Docks and Railways Sub-Committee the Committee informed the Indian Railway Conference Association that they desired to support the claim of the Rice and Grain Merchants' Association, Madras.

There seemed to the Committee to be little justification for the existing discriminatory classification of groundnut seeds as compared with other oilseeds. In fact the Committee understood that as far as Bombay was concerned the G. I. P. Railway which was the main artery dealing with this traffic were charging the commodity at the lower 1st Class rates subject to the condition that consignments must be tendered up to the carrying capacity of the wagons used, and loading and unloading must be done by owners. The G. I. P. Railway also carried the traffic coming from Broad Gauge stations of H. E. H. The N. S. Railway *via* Wadi at the rates equal to 1st class on the same conditions. With the continuance of this conditional lower charge it could safely be presumed that the G. I. P. Railway had not found it to work to their detriment and there appeared therefore to be no reason why a lowering of the General Classification, if necessary, with a minimum weight condition, should be shirked. Further the "L" condition (loading and unloading to be done by owners) attached to the O.R. rates for Groundnuts was hard to understand as the terminal charges included in the rates were believed to include this service.

The Committee, moreover, pointed out that considering the present depressed conditions in the export trade in this

article and the keen competition it had to face from other sources, any contributory relief in its cost would help to bring prices in India more into line with those ruling in the importing countries, so that increased traffic to ports was likely to be a compensating factor to the Railways for what they might stand to lose through the lowering of the classification.

RAILWAY CLASSIFICATION OF LEMON CHROME COLOUR, DRY.

In August 1933 the Indian Railway Conference Association asked for the views of the Chamber on a proposal to index lemon chrome colour, dry, in the General Classification of Goods to Colours, Paints and Dyes, Division B.

After consulting the Docks and Railways Sub-Committee the Committee submitted on the 8th September 1933 to the Indian Railway Conference Association for consideration the following note on the proposal that had been drawn up by a member :—

" At present the following classification is in force—

DIVISION " A " .. .. Prussian Blue Powder.
DIVISION " B " .. .. Red Lead Zinc White.

To-day's market prices are as follows :—

	Rs.	Rs.	a.	Per cwt.	Rs.	a.
Prussian Blue Powder ..		224	0			
Red Lead	34 to	42	0	(Japanese	16	0)
Zinc White (Paint) ..	28 to	37	8	(„	23	0)
Zinc White (Powder) ..	35 to	42	0	(„	31	8)

All these commodities belong chemically to the same group, *i.e.* " inorganic pigments." If Prussian Blue has been classified under Division " A ", whilst Red Lead and Zinc White have been classified under Division " B ", it is because Prussian Blue is roughly five to six times more expensive.

We are now asked to say under which of the two divisions Lemon Chrome colour should be ranged. Lemon Chrome is also an inorganic pigment. We must, therefore, be guided by its price. The price of Lemon Chrome " inferior quality is Rs. 28 per cwt. and of good quality Rs. 70 per cwt."

As the value of the best quality is less than one-third of the value of Prussian Blue, we are of opinion that Lemon Chrome should come under Division " B ".

RAILWAY CLASSIFICATION OF KALIJIRI AND KALADANA SEEDS.

In November 1933 the Indian Railway Conference Association asked for the views of the Chamber on the following proposal that was before the Commercial Committee :—

(*i*) That the terms " Kaladana " and " Kalijiri " be deleted from the existing entry " Cummin seeds, black (Kaladana, Kalanjee, Kalijiri seeds)".

(*ii*) That " Kalijiri seeds " be classified 2 R. R.

(*iii*) That " Somraj " be shewn as a synonym for " Kalijiri seeds " in the list of synonyms and trade names.

(*iv*) That " Kaladana " be deleted from the existing entry " Cummin seeds, black (Kaladana, Kalanjee, Kalijiri seeds)" and " Kaladana seeds " be indexed to " Drugs, country."

After consulting the Docks and Railways Sub-Committee the Committee informed the Indian Railway Conference Association that they had no objection to the proposal.

RAILWAY CLASSIFICATION OF BONE CHARCOAL AND ANIMAL CHARCOAL.

In May 1933 the Indian Railway Conference Association asked for the views of the Chamber on a proposal to be placed before the Commercial Committee for Interchange for the

classification of Bone Charcoal and Animal Charcoal at 4 R.R. and 2 O.R.L. subject to the operation of General Rules 48 to 51.

After consulting the Docks and Railways Sub-Committee, the Committee in replying to the Indian Railway Conference Association stated that they had very little knowledge of the article in question nor was there sufficient information given in the papers submitted by the Association to enable them to advise. However, judged solely from the point of view of the price of the article, the rates based at 4 R.R. and 2 O.R. would not, in the opinion of the Committee, be unreasonable.

The Committee added that there appeared to be some doubt as to whether the article was offensive and they urged strongly that proof should be obtained that the article was actually offensive before General Rules 48 to 51 were applied to it, as General Rules 50 and 51 were liable to hinder movement.

RAILWAY CLASSIFICATION OF BAIBARANG.

In May 1933 the views of the Committee were invited by the Indian Railway Conference Association on the question whether Baibarang should be chargeable as "Country drugs" or as "Seeds, not otherwise classified."

After consulting the Docks and Railways Sub-Committee the Committee informed the Indian Railway Conference Association that it would appear that Baibarang was used as a medicine for children and was known in the local market as Wavding and should be chargeable as a "country drug." The stuff was of low value, being worth only Rs. 5 to Rs. 6 per bag of about 1 maund.

RAILWAY CLASSIFICATION OF SILK TWIST OR THREAD.

In April 1933 the views of the Chamber were asked by the Indian Railway Conference Association on a proposal that had been made to the Commercial Committee that the classification of silk twist or thread should be enhanced from 6 R.R. to 8 R.R. in order to remove the anomaly of such thread being charged on a lower rate than cotton and woollen twist or thread.

After consulting the Docks and Railways Sub-Committee the Committee informed the Indian Railway Conference Association that they had no objections to raise to the proposed alteration in classification.

At their meeting held in July 1933 the Commercial Committee of the Indian Railway Conference Association resolved that with effect from 1st February 1934, (1) the existing entry "Piece-goods, silk, P/19; e, 9 R.R." would be altered to read as under :—

	R.R.	O.R.
Piece-goods, silk P-19; e	9	—
Includes—		
Silk, manufactured, N. O. C.		
Thread or twist		
Velvet.		

and (2) the existing entries

"Silk, manufactured, e, 8 R.R.", "Silk twist or thread, *e*, 6 R.R." and "Silk, velvet, *e*, 8 R.R." will be deleted.

RAILWAY CLASSIFICATION OF TOYS, IMPORTED AND COUNTRY.

In April 1933 the Indian Railway Conference Association asked for the views of the Chamber on a proposal that had

been made to the Commercial Committee to alter the classification of toys for railway freight purposes as under :—

Existing.

	R.R.	O.R.
Toys, country	2	—
Toys, imported	4	2

To be altered to.

	R.R.	O.R.
Toys, bamboo, clay and wooden	2	—
Toys, celluloid, tin or rubber ..	6	4
Toys, not otherwise classified ..	6	4

The Committee after consulting the Docks and Railways Sub-Committee informed the Indian Railway Conference Association that the proposed classification appeared to be reasonable.

At their meeting held in July 1933 the Commercial Committee of the Indian Railway Conference Association resolved that with effect from 1st February 1934 " Toys, country 2 R.R." and " Toys, imported 4 RR., 2 O.R." would be deleted and the following articles would be classified as under :—

	R.R.	O.R.
Toys, bamboo, clay and wooden	2	—
Toys, celluloid, tin or rubber ..	4	2
Toys, not otherwise classified ..	4	2

RAILWAY CLASSIFICATION OF CHEESE.

In accordance with Rule 135 of the Indian Railways Coaching Tariff " cheese, not imported " when sent by passenger train is charged at special parcel rates. There is no specific rule in the Coaching Tariff as to how " Cheese,

imported" should be charged, and in the absence of this it is at present being charged at full parcel rates.

In May 1933 the Indian Railway Conference Association asked for the views of the Chamber on a proposal that was to be placed before the meeting of the Commercial Committee for Interchange to be held in July 1933 for removing the words "Cheese, not imported" from Rule 135, so that all cheese whether imported or not will be charged at full parcel rates.

After consulting the Docks and Railways Sub-Committee and members interested the Committee informed the Indian Railway Conference Association that in their opinion the discrimination in rating between "imported" and "non-imported" cheese should be removed. Further, the enquiries made by them pointed definitely to the view that the full parcels rate was too high for the article, which also owing to its perishable nature could not be sent by goods train. The Committee recommended therefore that all cheese should be carried by passenger train at half parcel rates.

When the question came up for discussion before the Commercial Committee for Interchange in July 1933, that Committee merely deleted the words "Cheese, not imported" from the rule, so as to bring all cheese, whether imported or not, on to the same level.

At the time of writing this report the Committee of the Chamber had under consideration the question of addressing the Indian Railway Conference Association again urging that cheese should be carried by passenger train at half parcel rates.

PROPOSED ADVISORY ROAD BOARD.

(*See Report* 1932, *page* 3.)

It was mentioned in the Chamber's Report for 1932 that the Committee in replying to a reference from the Government of Bombay drew attention to the fact that the Mitchell-Kirkness Enquiry Committee had, at that time under consideration a proposal that a Provincial Board of Communications should be formed in each Province to work in with a Central Board of Communications whose functions would be to co-ordinate the requirements of each Province with that of India as a whole. The Committee enquired whether it was proposed to proceed with the creation of an Advisory Road Board in the event of a Provincial Board of Communications being formed, but they added that whichever body it might be decided to set up they would be pleased to nominate a representative to serve on such a body.

The Government of Bombay in reply forwarded an extract from the proceedings of the All-India Conference of Police Officers, 1931, from which it appeared that the conference considered that in order to ensure that certain broad principles should find a place in the policy adopted in each province in regard to the control of motor traffic, there should be in every province a permanent Advisory Board on which should be represented the interests of (*a*) The Motor Trade ; (*b*) Motoring Associations, as representing the private owners ; (*c*) The Police ; and (*d*) The authorities responsible for the upkeep of roads.

The Provincial Boards should be in liaison with the Road Engineer with the Government of India who was appointed on the recommendation of the Indian Road Development Committee.

The Government of Bombay added that they had no official information about the Provincial Board of Communications.

In again addressing the Government of Bombay the Committee reiterated their willingness to nominate a representative on the proposed Advisory Board and invited attention to His Excellency the Viceroy's address to the Legislative Assembly on the 1st February 1933 referring to a conference which would be held to consider problems connected with communications and transport and at which all Provincial Governments, the Railway Board and certain official organisations would be represented. The Committee suggested that before taking action the Government of Bombay might await the result of this Conference after which it might be found possible to have all matters connected with traffic and roads controlled by one authority.

ROAD COMMUNICATIONS IN THE BOMBAY PRESIDENCY.

In November 1933 the Committee addressed the Government of Bombay, Public Works Department, and drew attention to the fact that the Government of India after the presentation of the Mitchell-Kirkness Report on Road and Rail Competition and the possibilities of their future co-ordination and development in Governor's Provinces, summoned the Road Rail Conference which was held at Simla during April 1933.

At this Conference one of the most important resolutions passed was No. 7 which read as follows :—

"This Conference considers that it is necessary to study the question whether the present lack of balance in the road systems will, if the means of development are restricted to revenue resources, be susceptible of correction either at all or at a rate consistent with the

economic needs of the country and accordingly recommends that a comprehensive plan should be drawn up with a view to examining the possibility of development of both main and subsidiary roads from loan funds within the limit of the resources available for maintenance."

The Hon'ble Sir George Schuster, Finance Member of the Government of India, in addressing the Conference on the attitude of the Government of India towards this subject, stated that if schemes satisfying certain conditions were put forward by Provincial Governments, the Government of India would be prepared to give favourable consideration to raising loan money to finance such schemes. The conditions referred to were that Provincial Governments must be prepared to satisfy the Government of India that (*a*) they could provide for the annual loan charges, (*b*) that they could provide the necessary recurring sums for the maintenance of these roads when built, and (*c*) that the roads would really increase economic productivity.

The following were relevant extracts from the speech made by the Finance Member on the occasion :—

" What I mean is this. If by taking a long-sighted view it is possible through a programme of road construction to improve the revenue producing power of a province and the purchasing power of its people, then it might be desirable to launch a programme in times like the present.....I want to sum up again what would be the justification of working on a programme such as I suggested in my opening remarks. There are two justifications ; first that unless you got help from loan funds you cannot carry out road development at the pace which you consider necessary, and the second is that there should be some assurance that the construction of roads will improve the general position of the province concerned. I still believe myself that there must be examples in India where in present conditions it would be justifiable to spend a certain amount of the capital that we can raise, in the form of road development. I cannot rid my mind of the conviction that there must be areas where in the present conditions that form of development would be justified ; and I would end by repeating what

I said at the beginning, that although many of the provincial representatives seem to regard this discussion as one in which they can only take a so-called pious interest, I hope that when they go back they will consider the matter with their Provincial Governments and give us a chance of discussing plans with them."

With particular reference to the reconstruction of existing roads, Sir George Schuster said :—

"There has been a good deal of discussion on the difficulty of providing funds for maintenance. I made it clear in my opening remarks that that really was the crux of the situation. We recognise that. But it occurs to me that that particular difficulty does not apply in the case of loans raised for the improvement of an existing road for the purpose of reducing maintenance charges. Therefore I would suggest that as a particular case where the Government concerned is already saddled with a liability, and if maintenance charges can be reduced by improving the road, then contrary to the general case in a case like that you would be able to point to a revenue receipt. It occurs to me that in a case like that it would be possible to work out the finance of a road project more accurately than in a case where we are anticipating revenue from indirect receipts as a result of building new roads."

It would be seen that in Sir George Schuster's opinion there must be instances where it would be justified to spend a certain amount of the capital the Government of India could raise at cheap rates in the form of road development and that amongst other ways in which such money could be well and wisely spent, was the improvement of existing roads whereby maintenance charges could be reduced.

In the opinion of the Committee therefore it was most desirable that a comprehensive plan should be drawn up by Provinces as was emphasised by Sir George Schuster when he said :—

"I feel very unwilling to appear on the side of those who are encouraging expenditure of any kind, but at the same time I would ask the representatives of Provincial Governments who are here, when they go back, to consider with their Government whether, taking a long view

of the situation, it is not worth while to look at the matter from the point of view that I have indicated in the hope that expenditure now might really prove fruitful in the future."

The Committee asked the Government of Bombay whether they had examined this very important question and whether they had drawn up any comprehensive scheme with a view to taking advantage of the Central Government's offer to provide the finance by raising loan money.

The Government of Bombay informed the Chamber that the question of selecting schemes for being financed from loan funds was under its consideration.

REIMPOSITION OF TOLLS IN THE BOMBAY PRESIDENCY.

The following Resolution of the Government of Bombay was published in the press on the 6th February 1933 :—

" In the budget session of the Legislative Council in the year 1923, a resolution recommending the abolition of tolls on provincial roads was moved by a member of the Legislative Council. After the resolution was fully discussed in the Council an assurance was given that tolls on provincial roads shall be abolished gradually by Government and the resolution was therefore withdrawn. In pursuance of this resolution Government abolished in the years 1923-24 and 1925 tolls on certain provincial roads yielding a revenue of Rs. 1,16,000, 1,00,000 and 10,000 respectively. In subsequent years no tolls could be abolished in view of the financial stringency. The finances of this Government have now reached such a stage that it is now no longer sufficient to postpone the abolition of tolls, but it has become necessary to reimpose the tolls that were abolished. In these circumstances and in prusuance of the recommendations made by the Reorganisation Committee in paragraph 447 of their report for increasing the revenue from tolls Government are pleased to direct :—

(1) that tolls should be reimposed on all provincial roads from which they were removed in the years 1923-25 under Government Resolution No. 2853, dated 30th April 1923, Government Resolution

No. 2853, dated 24th March 1924 and Government Resolution No. 2853, dated 26th June 1925;

(2) that new tolls should be imposed at such places as the enquiries into the removal of the present anomaly in the uneven distribution of tolls, and the possibility of imposing tolls on new roads, bridges, causeways, etc., show that tolls are required;

(3) that the date from which the old tolls should be reimposed or new tolls imposed should, as far as possible, be 1st April 1933."

The Committee in addressing the Government of Bombay on the subject stated that for the past 25 years Government had pursued a policy of abolishing tolls on roads. In reversing this policy Government were, in the opinion of the Committee, taking a definitely retrograde step which even the present financial stringency could in no way justify or palliate. Tolls had been generally condemned as being unsuited to modern conditions and obstructive of rapid methods of transport. They could only be justified to defray the cost of providing some special facility, *e.g.*, a bridge replacing a ferry service and providing through communication or the *Autostrade* in Italy which had been specially built for motorists. Tolls were a source of annoyance to the well-to-do and of hardship and harassment to the poor, as would be seen on reference to the debate which took place on the subject in the Legislative Council on 13th March 1923. The Committee stated that they did not desire to labour the point, however, since the Government of Bombay had themselves admitted before the touring Sub-Committee of the Indian Road Development Committee that road tolls were objectionable in principle. The Committee were surprised that Government should wish to go back on what they then said and select for immediate action one of the few objectionable proposals in the report of the Reorganisation Committee, a proposal moreover which would appear to be outside its terms of reference since the revival of an out-of-date and discredited form of taxation

could hardly be said to be a function of a body appointed to reorganise the machinery of Government with a view to greater efficiency and economy.

There were two further points which the Committee brought to the notice of Government in the hope that they might see their way to reconsider the matter or at least to defer taking action. His Excellency the Viceroy, announced that a conference, at which Provincial Governments would be represented, would be held to consider problems connected with communications and transport. It was understood that one of the proposals which would be discussed at that conference would be the setting up of Provincial Boards of Communications; these the Committee considered would be the proper authority for examining the question of tolls. In any case the Committee submitted that it would be very unfortunate if a complete reversal of policy were hastily undertaken in anticipation of the result of the All-India Conference to be held in May.

In regard to the argument of financial stringency, in the opinion of the Committee, the decision of the Government of Bombay to revive tolls indicated that the problem of balancing the Budget was being tackled in the wrong way, *viz.*, by increasing taxation instead of by reducing expenditure.

In view of the above considerations the Committee expressed the earnest hope that Government might be induced to withdraw from what the Committee could only regard as a most ill-timed and ill-judged step.

The Government of Bombay in reply stated that they could not see their way to reconsider at the moment their orders regarding tolls.

The Public Works Department of the Government of Bombay by a Notification No. 7744/27 of the 2nd August

1933, published in the *Bombay Government Gazette*, Part I, dated 10th August 1933, added to the list of exemptions from tolls Government servants when travelling to or from their office or place of occupation and their residence.

The Committee of the Chamber addressed the Government of Bombay in the matter and pointed out that the tolls were reimposed in the teeth of public opposition, and were universally regarded as a most objectionable imposition. When Government's decision to reimpose them was announced in February 1933 the Committee protested strongly against such a retrograde step, which they considered ill-judged and ill-timed and one which could in no way be justified by even the existing financial stringency.

The Committee entered an equally emphatic protest against this latest notification, which appeared to be nothing less than discriminatory taxation not incomparable with the order of the Government of India, since rescinded, by which Government servants were exempted from payment of the surcharge on income-tax. The Committee could see no justification whatever for the discrimination which was shown in the Public Works Department Notification between Government servants when travelling between their places of occupation and their residences and non-officials when similarly engaged, and, moreover, they regarded it as highly objectionable in principle.

The Committee requested Government to reconsider this matter and withdraw without delay the notification in question.

The Government of Bombay in reply stated that they regretted they could not see their way to withdraw the notification in question after full consideration of the fact

that Government servants when travelling on duty were exempted from the payment of tolls.

The Committee in again addressing the Government of Bombay stated that it would appear that Government's contention was that the exemption No. 17 under which Government servants when travelling to or from their office or place of occupation and residence were exempted was justified on the strength of exemption No. 13, under which Government servants actually travelling on duty were exempted. The Committee considered however that the cases were not necessarily on all fours as No. 17 would clearly exempt Government servants leaving or returning to their homes on purely social journeys. They pointed out that if it were merely the intention of Government to exempt Government servants from tolls when they were travelling on Government business, this was already provided for under No. 13, which would clearly cover a journey between residence and office. In point of fact the Committee did not consider that even that amount of exemption was justified, and they protested strongly against the extension of the privilege which seemed to be now provided under No. 17.

Subsequently the Committee heard that the Government of Bombay contemplated introducing a provincial tax on vehicular traffic with a view to the abolition of tolls and in addressing Government in the matter the Committee expressed a hope that in framing their proposals Government would give special consideration to the interests of the agriculturist.

AUTOMATIC TRAFFIC SIGNALS.

On several occasions during the past year or two the Traffic Committee have had under consideration the question

of the installation of automatic traffic signals at the junctions of busy roads. In December 1932, the Government of Bombay informed the Commissioner of Police that the introduction of traffic signals was postponed as it was not considered desirable to reduce the strength of the police force by doing away with the constables on traffic duty.

A member who manufactures this class of equipment in addressing the Chamber in the matter stated that while regretting Government's decision they were glad to note that progress had been made to the extent that it was realized that the introduction of signals would release constables from traffic duty. They contended, however, that this would not necessarily mean a reduction in the strength of the police force as constables so released could be more usefully employed in the maintenance of law and order for which work they were specially trained. They added that it had long been felt in most parts of the world that as the work of traffic control could be taken care of by mechanical devices the maintenance of constables on this work was a waste of time and money expended in their training for other purposes.

From enquiries made it appeared to the Committee that while it had been found from the experiments conducted over the past two years that mechanical traffic control was efficient in operation and resulted in the reduction of a certain number of traffic control constables and hence effected a saving of expenditure under this heading, it was not considered desirable to continue this form of control in view of the fact that Government did not wish to reduce the strength of the police force. On the other hand the existing traffic control by constables was considered to be very efficient, possibly more efficient than mechanical means due to the difficulty of controlling pedestrian traffic in Bombay.

In replying to the member to this effect the Committee agreed that the release of constables from traffic duty would not necessarily mean a reduction in the strength of the police force, but they pointed out that a saving in revenue expenditure could only be effected by a reduction in the number of constables. While under normal conditions the police constables employed entirely on the maintenance of law and order were considered adequate, under emergency conditions they would not be so, and those employed on traffic control acted as a reserve to assist in the maintenance of law and order if and when such emergency conditions arose.

The Committee added, however, that they considered that the question of the installation of mechanical traffic signals must be regarded as merely postponed. At the moment the police were posted on traffic duty only at rush hours and the installation of traffic signals for, say, 16 hours of the 24 would undoubtedly prevent accidents at many points.

At the March meeting of the Traffic Committee it was decided that the Commissioner of Police for the City of London and the Chief Constable of Glasgow should be asked for their opinion on the system of electromatic traffic signals which it was understood had been in operation in both those cities for some considerable time.

At a later date the Committee were favoured with figures of the cost of erection and maintenance of electromatic vehicle actuated traffic signals. After a perusal of these figures the Committee informed the Chamber's representative on the Traffic Committee that, in their opinion, there could be no justification for Government incurring the expenditure involved, for the present at any rate, and consequently the Committee were unable to see their way to approach Government with a view to getting them to finance the scheme.

The Chamber was subsequently informed that the Traffic Committee had placed on record their opinion that they were unable to recommend the installation of electromatic traffic signals as the cost of hiring the installation was prohibitive when compared with the cost of a traffic constable, being Rs. 3,000 per annum as compared with Rs. 630.

KERBSIDE PETROL PUMPS.

At a meeting of the Traffic Committee held on 30th August 1932, that Committee accepted as its policy that kerbside pumps should be eliminated in favour of filling stations, that no new kerbside pumps were to be licensed and that certain kerbside pumps that definitely created obstruction should be given 12 months' notice that their licenses would not be renewed or transferred.

In pursuance of this policy the Commissioner of Police notified several petrol dealers that he did not intend to renew their existing licenses for kerbside pumps after December 1933 and the Chamber was approached by certain members interested with a view to supporting representations that had been made to the Commissioner protesting against the removal of these pumps.

The Committee felt, however, that the policy of removing pumps that created obstruction could not be seriously objected to and in replying to the members concerned they pointed out that the declaration of policy referred to above was apparently acquiesced in by the Chamber's representative on the Traffic Committee who was present at the meeting.

In view, however, of further representations that were received from members in regard to the nctices the Committee addressed the Commissioner of Police in the matter and stated that while they agreed with the general policy of

the Traffic Committee that kerbside pumps that definitely created obstruction to traffic should be removed, they considered that the action taken in demanding the removal of 46 pumps was too drastic a measure, particularly in view of the fact that the licensees had to obtain the permission of the police authorities before placing the pumps in their existing positions. The Committee contended that if those positions were considered then to be dangerous to traffic it would appear that the same conditions, in the majority of cases, must have prevailed when the original licenses were applied for and the licenses should not have been granted.

The Committee expressed a hope that the policy and extent of removal of the pumps would again be reviewed by the Traffic Committee and that on reconsideration it would not be found necessary to refuse the renewal of the licenses in the majority of cases to the holders who had been served with notices.

The question was again considered by the Traffic Committee at their meeting on the 27th March 1933 and after discussion it was agreed that each member of the Committee should be supplied with a list of the pumps it was proposed to eliminate with effect from 31st December 1933 and that the Committee as a whole should visit and inspect each of these pumps. The Committee would then decide whether the order already issued should stand or whether in certain cases the license might be extended.

The Deputy Commissioner of Police, Port, and Secretary of the Traffic Committee informed the Chamber on the 17th May 1933 that the Traffic Committee on the 14th May inspected all the kerbside petrol pumps in respect of which notices as regards their removal had been issued by the licensing authority. The Traffic Committee were unanimous

in arriving at a decision that the previous order issued by the Commissioner of Police was justified in respect of 32 petrol pumps while in 6 cases they considered that there was no immediate need for the removal of the pumps and that the time given by the Commissioner of Police in respect of them should be extended upto the 30th June 1934. Before making their final recommendations the Traffic Committee decided to meet on the 24th May and hear the representations of such owners of pumps who might desire to represent their cases.

At this meeting it was suggested to the Traffic Committee that rather than remove the pumps, the hours of sale should be restricted to those periods of the day when traffic was slack. After some discussion the Secretary of the Traffic Committee was instructed to inspect all the pumps again and report which of them were considered to be an obstruction throughout the day. In the case of the remainder which were obstructive at certain periods only, an experiment should be tried for three months (September to November 1933) restricting the hours of sale to those periods when traffic was slack. The current notices should hold good in cases of permanent obstruction.

ONE-WAY TRAFFIC IN BOMBAY.

In October 1933 the Committee asked the Chamber's representatives on the Traffic Committee to raise the question of steps being taken to indicate, by lines on the road or any other effective method, that the one-way traffic system was in force on a particular road. The Chamber was informed in reply that notice boards which could not miss the eye were being erected showing whether the street was one-way or whether a right or left turn was indicated and that the rules would take effect after the boards were erected.

The Committee later pointed out to the Chamber's representative on the Traffic Committee that in their opinion the new notice boards were liable to mislead drivers, as presumably the arrow on them was intended to indicate that entry was prohibited in the direction in which the arrow was pointing, but a driver unable to read English might understand that he should proceed in the direction of the arrow. The Committee were of opinion that steps should be taken to remove the ambiguity which existed at the moment.

DISCONNECTED TELEPHONES.

Automatic intimation to Subscribers.

In June 1933 a member drew the attention of the Committee to the fact that there was not at the moment any apparatus in use by the Bombay Telephone Co., for giving automatic intimation to a subscriber, when he rang up a number which had been discontinued, that the line was no longer in use.

The Committee went into the question with the Bombay Telephone Co., but from the figures of capital and recurring expenditure supplied to them it appeared that the additional convenience to be given to subscribers was hardly sufficient to warrant the expenditure involved.

In informing the member to this effect the Committee stated that they did not proposed to press the Telephone Company to instal the apparatus.

TRUNK TELEPHONE CHARGES.

In April 1933, the views of this Chamber were asked by the Merchants' Chamber of the United Provinces, Cawnpore, on a suggestion that the period of trunk telephone half rate calls should be from 6 P.M. to 9 A.M. instead of from 8 P.M. to

8 A.M. and that in the case of particular person calls at night the extra 25 per cent. should be levied on the half rate applicable to the call and not on the full rate.

The Committee in reply stated that while they were in sympathy with the suggestion they doubted whether any representation would meet with success until it could be proved that increased traffic would result from such reduction.

TRUNK TELEPHONE LINES.

(*See Reports* 1930, *Vol. I, page* 148 ; 1932, *page* 195.)

It was mentioned in the Chamber's report for 1932 that the Chamber in addressing the Director-General of Posts and Telegraphs in regard to the trunk telephone, drew particular attention to the unsatisfactory service on the Bombay-Ahmedabad line. The Director-General in reply stated that the question of improving the telephone service on this line had already been taken up. It was feared that a considerable amount of retransposition work would have to be carried out, a process which must necessarily be slow, but everything possible would be done to expedite the work and to make this trunk line really efficient. The Director-General added that it was also proposed to increase the facilities, and he hoped to secure an allotment of funds for the purpose of providing an additional telephone channel between Bombay and Baroda which would, it was hoped, be of very great use in the event of an interruption in the main Bombay -Ahmedabad trunks.

Complaints were received during October 1933 from members in regard to the unsatisfactory condition of the trunk telephone service between Bombay and Madras. The Postmaster-General who was addressed by the Chamber in the matter, stated that this was due to the fact that certain improvements were being carried out on the lines which

rendered them liable to disturbance. The Postmaster-General added that these improvements were undertaken with the object of providing eventually for further channels of communication between these two cities in anticipation of further increase in the traffic and were nearing completion.

CODE WORDS IN TELEGRAMS.

Introduction of Five Letter Code System.

(*See Reports*, 1908, *pages* 59, 300; 1909, *pages* 35, 315; 1926, *Vol. I, page* 224; 1928, *Vol. I, page* 176; 1929, *Vol. I, page* 168; 1930, *Vol. I, page* 151; 1932, *page* 202.)

As was mentioned in the Report for 1932 the following resolution was submitted by the Burma Chamber and unanimously adopted at the annual general meeting of the Associated Chambers of Commerce of India, held at Calcutta on the 9th and 10th January 1933 :—

"That in consideration of the proposals made at the recent Conference at Madrid of the International Telegraph Union (1) to abandon the system of ten letter code words and to substitute therefor five letter code words at an increased effective charge, (2) to abolish week-end letter telegrams, (3) to make the charges for all letter telegrams one-third of the full rate, and (4) to increase the minimum number of words chargeable on letter telegrams from twenty to twenty-five, this Association desires to place on record its emphatic opposition to any change in the regulations, either for plain language, or for code telegrams, which may have the effect of increasing the cost of telegraphic communication or may interfere with the use of existing private codes."

A copy of the resolution and of the discussion which preceded its adoption was duly forwarded to the Government of India for consideration.

The Deputy Director-General, Telegraphs, in addressing the Associated Chambers subsequently on the subject stated that according to the decision of the International Telegraph

Conference at Madrid and as a result of subsequent correspondence with foreign telegraph administrations the following changes relating to urgent telegrams, daily-letter and week-end letter telegrams would take effect from 1st April 1933 :—

Urgent telegrams.—The charge for this class of telegrams would be reduced from triple to double the charge for ordinary telegrams.

Daily-letter telegrams.—The charge for a daily-letter telegram would normally be one-third of the charge for a full rate telegram of the same length and by the same route subject to a minimum charge of 25 words per telegram.

Daily-letter telegrams would be delivered to the addressee on the morning of the second day following the day on which the telegram was accepted by the telegraph office for transmission.

The special services "Reply-paid, Poste restante, Telegraphe restante and telegraphic redirection under orders of the addressee" would be admitted in daily-letter telegrams.

For the purpose of determining the quantity admitted of numbers written in figures, commercial marks and abbreviated expressions, namely one-third of the number of chargeable words in the text, a daily-letter telegram would always be considered as containing at least 25 words even if the actual number of words was less than 25.

Numbers might be written in words in the text of daily-letter telegrams without any restriction. This privilege was applicable to deferred telegrams also.

Week-end letter telegrams.—The week-end letter telegram service would be abolished.

In regard to the above charges the Deputy Director-General stated that in considering them the Government of India had kept prominently in view the wishes of the Associated Chambers and, to the fullest extent of its power, endeavoured to keep the charges for foreign telegrams as low as possible compatible with financial necessities. In this respect, however, its freedom of action had been restricted by the decision of the International Telegraph Conference at Madrid and the necessity for conforming with the wishes of the other Telegraph Administration interested in the matter.

Particular attention was drawn to the additional facility to be accorded to the telegraph using public in respect of (1), the admission in deferred and daily-letter telegrams of numbers written in words without restriction and (2), the delivery of daily-letter telegrams on the morning of the second day following the day on which the telegrams were accepted by the telegraph office for transmission instead of delivery after 48 hours.

As regards the abolition of ten-letter code words and the substitution therefor of five-letter code words at sixty per cent. of the full tariff, the matter was being examined in the office of the Deputy Director-General but the definitive French text of the regulations on the subject as a result of the Madrid Telegraph Conference was awaited from the International Telegraph office at Berne. In consequence of the decision of the Conference it was feared that there would be no alternative but to accept the position and to abolish ten-letter code words, but the revised regulations in this respect would not come into force until January 1st, 1934.

The following extract of Article 10 of the International Telegraph Regulations, Madrid, 1932, on the subject of foreign telegrams in code language is reproduced here for

purposes of record. The rules provided for in this Article were given effect to in India as from 1st January 1934, in place of the existing rules on the subject :—

ARTICLE 10.

Code Language.

[26] 1. Code language is composed either of artificial words or of real words not used with the meaning normally assigned to them in the language to which they belong and consequently not forming intelligible phrases in one or more of the languages authorised for telegraph correspondence in plain language, or lastly of a mixture of real words as defined and artificial words.

[27] 2. (1) By telegrams in code language those are meant of which the text contains words belonging to this language.

[28] (2) The code words, whether real or artificial, must not contain more than five letters ; they may be formed in any way. They must not contain the accented letter é.

[29] 3. The officer who accepts a telegram in code language enters on the form the service instruction=CDE=which is transmitted to destination at the beginning of the preamble of the telegram.

[30] 4. CDE telegrams are charged at 6-10th of the full rate in the case of the extra-European system, and at 7-10ths of the full rate in the case of the European system.

[31] 5. (1) Telegrams of which the text contains words in code language and words in plain language and/or figures and groups of figures, are considered, for the purpose of charging, as belonging to code language. Nevertheless ;

[32] (*a*) the number of figures or groups of figures must not exceed one-half of the number of chargeable words in the text and signature.

[33] (*b*) for the purpose of charging bank and similar telegrams expressed in plain language which contain a check word or check number placed at the beginning of the text. (Art. 9.2) are not considered as code telegrams.

[34] (2) Telegrams of which the text contains words in code language and groups of figures in excess of one-half of the chargeable

words in the text and signature, are considered for the purpose of charging, as telegrams in cypher language.

[35] 6. The sender of a telegram in code language or code language mixed with another language must produce the code from which the text or part of the text of the telegram has been compiled, if the office of origin or the Administration to which this office is subject requests it.

Towards the end of the year the Associated Chambers of Commerce of India asked this Chamber to assist in collecting statistics from members of the cost of their cables during the last three months of the year with comparative figures showing what the cost of the same cables would have been if the revised rates had been in force. Members were circularised accordingly.

DAILY LETTER TELEGRAMS.

In September 1933 the Director-General of Posts and Telegraphs informed the Chamber that daily letter telegrams were not at the moment accepted for despatch by Telegraph offices in India on Sundays and telegraph holidays, and as such, sufficient operative staff were not brought on duty to deal with these cheap rate telegrams on those days.

The Director-General mentioned that a suggestion had however recently been made by the Karachi Chamber of Commerce for the acceptance of daily letter telegrams on Sundays and telegraph holidays. Under the International Telegraph Service regulations of Madrid, 1932, the booking of this class of telegrams on telegraph holidays was optional. So far no request had been made by public bodies for this additional facility. It appeared therefore that daily letter telegrams were hardly required to be despatched by the mercantile community on Sundays and telegraph holidays.

Before coming to a decision on the question, the Director-General desired to have the views of the Chamber on the suggestion.

The Committee in reply informed the Director-General that they were of opinion that daily letter telegrams should be accepted for despatch on all days or at any rate on all days other than Sundays.

INDIAN COASTAL MAIL SERVICE.

In March 1933 the views of the Chamber were asked by the European Group in the Central Legislature on the following resolution that was set down for discussion in the Council of State on the 15th March 1933 :—

"This Council recommends to the Governor-General in Council that as a step towards the development of an Indian mercantile marine the Government of India should give preference to India steamship companies at the time of making future agreements for the conveyance of mails on the coast."

The Committee in reply stated that in their opinion the resolution should be strenuously opposed. They added that the primary consideration must be efficiency, regularity and cost of the service to be provided, and no question of preference could be entertained without regard to these all important considerations.

After discussion the Resolution was, by leave of the Council, withdrawn.

VALUE PAYABLE PARCEL AND MONEY ORDER REMITTANCES.

At the instance of a member the Committee in September 1933 suggested to the Postmaster General, Bombay, (1) that the Post Office should fix some minimum volume of business which would entitle individual firms to qualify for the payment

by cheque of amounts on account of value payable parcels and money orders. They suggested that the volume of business should be based on the minimum value of the remittances, say, Rs. 100 rather than on the number of money orders received, and (2) that a running account might be kept by the Post Office for those desiring it.

The Postmaster General replied regretting his inability to support either of these suggestions as they stood but after an informal discussion between the Committee and the Director-General of Posts and Telegraphs and himself he promised to go into the matter again.

AIR MAIL CHARGES FOR "COMMERCIAL DOCUMENTS."

In April 1933, the Committee addressed the Associated Chambers of Commerce of India suggesting that the Association might press on the Government of India the necessity for the cheaper carriage by air of commercial documents of all kinds, *e.g.*, bills of lading, invoices, certificates of origin, account sales and so on. It was urged in addition that special rates for commercial samples might also be introduced. It was felt that given a reasonable charge for commercial documents, the despatch of at least a first copy of invoices, bills of lading, etc., by air mail would soon become the general routine procedure. It was the opinion of the Committee that a material reduction of the postage fees on these lines would be followed by a tremendous increase in the weight of mails carried, and consequently in the earnings of the service.

The Committee pointed out that the standard air mail surcharge at the moment was :—

6 annas for every ½ oz. from Karachi, and
8 annas for every ½ oz. from Bombay.

This charge was applied without distinction, to letters, commercial documents and book post.

Only parcels enjoyed a preferential tariff, *viz.* Rs. 5 for the first pound; and Rs. 4 for every additional pound. A sea-borne letter weighing 10 oz. cost Rs. 1-4-6 and a package of "commercial papers" weighing 10 oz. cost Annas 3-9 or roughly one-sixth. A "letter" of 10 oz. sent by air mail from Bombay to the United Kingdom cost Rs. 11-4-6 and "commercial papers" of the same weight Rs. 10-3-9, *i.e.*, practically the same charge as for a letter.

The Committee realised that control of rates outwards from the United Kingdom was not in the hands of the Government of India, but they stated that if Government could be persuaded of the importance of the suggestion, they would no doubt move the Postmaster General in London to take joint action in the matter with themselves.

In this connection, it was further suggested by the Committee that sight should not be lost of the resolution in regard to air mail postage rates which was passed at the annual meeting of the Associated Chambers in January 1933. It was then urged that the existing inequality between rates India/United Kingdom and United Kingdom/India should be removed, and that the existing surcharge for carriage of mails in India by air should be discontinued. The Committee added that these claims, in their opinion, should be pressed equally strongly in respect of commercial documents.

The following resolution was submitted on behalf of this Chamber to the annual general meeting of the Associated Chambers of Commerce of India held at Calcutta on the 8th January 1934 and unanimously adopted :—

"This Association urges the Government of India to take immediate steps to secure the introduction, in all air mail services,

external and internal, of concession rates of postage for commercial documents of all kinds.

"The Association further recommends the introduction of reduced rates for the carriage by air of commercial samples."

The Committee also suggested to the Manchester and London Chambers the expediency of addressing His Majesty's Government on the subject and at the same time endeavouring to solicit the support of other bodies likely to be interested.

AIR MAIL POSTAGE RATES.

The following resolution was adopted unanimously at the annual general meeting of the Associated Chambers held at Calcutta in January 1933 :—

"That this Association recommends a reduction in postal rates by air mail. The rates from India to the United Kingdom are already higher than those from the United Kingdom to India ; and the Association suggests that a reduction to at least a level with the United Kingdom-India rates might be tried as an experiment to see if carryings are increased.

This Association further recommends that, with a view to the encouragement of air mail services in India, the air mail postal rate between the United Kingdom and any destination in India and *vice versa* be made a flat one, whether the mails be carried by air or other means in India."

A copy of the resolution and of the report of the discussion which preceded its adoption were duly forwarded to the Government of India for consideration. From the 7th July 1933, the date of the introduction of the trans-Indian air mail between Karachi and Calcutta, flat rates of surcharges were fixed for articles from any part of India to any European country and for internal air services in India. The rates for some other countries were also revised.

AIR MAIL.

Minimum Weight of Letters.

In December 1933 the Committee addressed the Director-General of Posts and Telegraphs in regard to the question of the possibility of the introduction of a minimum weight of one quarter of an ounce for air mail letters with a proportionate decrease in the minimum air mail fees. The suggestion was that although the use of the air mail was increasing the introduction of a quarter ounce letter at a correspondingly cheaper rate would induce a larger number of people to use the air mail who were at the moment deterred by the cost of sending a half ounce letter, *viz.* 8½ annas.

The Committee pointed out that it was not possible to gauge from the statistics of the weight of air mails carried what effect the introduction of the flat rate in July 1933 had had on the volume of the air mails exchanged between England and India as the introduction of the flat rate coincided with the inauguration of the new Karachi-Calcutta service which had since been extended to Rangoon and Singapore. While there was a considerable increase in the mails since July, a part of such increase was undoubtedly due to the inauguration of the new service and it was not possible to allocate the increase between the latter and the introduction of the flat rate. Nor would it be possible from the figures available to forecast the probable increase in air mail traffic that would follow any reduction in the minimum chargeable weight. The Committee understood, however, that the French postal administration allowed and in fact encouraged light weight letters, and that the system had proved extremely successful particularly on its African and South American routes. The Government of Siam followed the French lead in this matter and in replying to an enquiry from a member of this Chamber,

the Aerial Transport Company of Siam stated that there had been a slight decrease in weight immediately following the introduction of the "Airgram" but this was soon overcome by the body of new users of the air mail who would not have used it at the old rates. The progress had been steady ever since, with of course the usual seasonal fluctuations.

The Committee felt that it stood to reason that the cheapening of the air mail charges would automatically result in a large increase in the total volume of mails carried. The Chamber had repeatedly advocated a reduction in air mail charges. The proposed reduction of the charges by lowering the minimum weight allowed was a practical method of achieving this object without causing the post office to lose any revenue in the process. It would doubtless be pointed out that the introduction of a light weight unit would result in a reduction in the volume of ½ oz. letters. This would not matter at all, in the opinion of the Committee, since the total volume of mail and therefore the total revenue of the Post Office would be increased. There would appear to be little doubt that there was a very large body of people in this country who would not spend 8½ annas on a letter to Europe but who would willingly pay 4½ annas.

The Committee requested the Director-General to recommend to the Government of India that steps be taken to reduce the minimum weight of air mail to a quarter ounce and to levy a charge on the quarter ounce letter at, say, half the charge for a half ounce letter.

The Committee added that they were aware that the Government of India had no control over the charges on the England-India air mail service but they expressed a hope that the Government of India, if they were in favour of the proposal, would use their best endeavours to persuade the Home authorities to fall into line.

TIMINGS OF THE INDIA-ENGLAND AIR MAIL SERVICE.

It was suggested to the Committee in July 1933 that the then existing schedule of the India-England air mail service might be made more convenient from the point of view of business houses in Bombay and Calcutta. The east bound mail reached Karachi on Friday and letters got to Bombay on Saturday evening or (*via* Poona) on Sunday morning. The westward mail left Karachi on Wednesday, and the mail from Bombay closed on Monday evening. There was thus only one working day in which the return mail of letters by air could be dealt with.

The Calcutta time table was the same, *i.e.*, the inward mails arrived on Saturday evening and the outward left on Tuesday morning or Monday night posting.

At the other end there was practically a whole working week between the arrival and departure of the air mails. The mails reached London at midday on Monday and left on Saturday morning.

In the opinion of the Committee the timings robbed the service of some of its value and it would undoubtedly be a great convenience to business houses in Bombay and Calcutta if a re-arrangement of the scheduled timings at either end could be made so as to give a longer interval at Karachi, and consequently at Bombay and Calcutta, between the arrival of the inward and departure of the outward mails.

Before taking any action the Committee asked for the views of the Bengal Chamber on the subject.

The Committee were subsequently sent a copy of a letter that the Bengal Chamber addressed to the Director-General of Posts and Telegraphs, Bengal and Assam Circle. They

consequently also addressed the Postmaster-General, Bombay, on similar lines and were informed that a copy of their letter had been laid before the Director-General of Posts and Telegraphs with a request that he might consider the expediency of making an effort to secure an extension of the interval by arranging an earlier departure from Croydon, which would react favourably on air mail correspondence throughout the country including Bombay.

The Chamber was informed by the Postmaster-General, Bombay, in December 1933, that with effect from the 2nd January 1934 the Indian Trans-Continental Airways aeroplane would leave Rangoon on Tuesdays instead of Mondays, and from the 4th January the Imperial Airways aeroplane would leave Karachi on Thursdays instead of Wednesdays as formerly. The days of arrival of the east bound aeroplanes Karachi and at Rangoon remained unaltered.

The north bound Air Mail Service from Madras to Karachi which maintained connection with the west bound service of the Imperial Airways would arrive at and depart from each air station on the route one day later than it did formerly. These air stations were Madras, Bellary, Bombay and Ahmedabad. So far as Bombay was concerned the change took effect from the air mail despatch of the 3rd January 1934.

This change gave the public in India and Burma one more day in which to reply to letters received from the West.

ISSUE OF BILLS OF LADING ONLY UPON PRODUCTION OF MATES' RECEIPTS.

(*See Report* 1932, *page* 208.)

It was mentioned in the Chamber's report for 1932 that the Committee had asked the Bengal Chamber for its

views on a reference that had been received from the Government of India in connection with a suggestion made by the Federation of Indian Chambers of Commerce and Industry that legislation should be undertaken to provide that Bills of Lading should be issued only upon production of the relevant Mates' Receipts.

The Bengal Chamber subsequently forwarded to this Chamber a copy of a letter that it had addressed to the Government of India on the question in which a hope was expressed that no action would be taken on the lines of the proposal, for its adoption would, in the opinion of the Chamber, be definitely to the general disadvantage of the trading community besides being quite unnecessary.

The Committee of this Chamber endorsed the views of the Bengal Chamber and informed the Government of India accordingly.

THROUGH BILLS OF LADING.

In January 1933 an enquiry was received from the Eastern Province Chamber of Commerce, Jinja (Uganda), in regard to the system in force in India in connection with through Bills of Lading whereby all goods shipped on such Bills of Lading are kept separate in the ship's holds and discharged direct into trucks and railed to their respective destinations.

After consulting the Import and Shipping and Export Sub-Committees, the Committee informed the Eastern Province Chamber of Commerce that a system of through Bills of Lading from inland stations through certain ports on the west coast of India to certain other coastal ports and on to inland stations was in force in this country, but not for ocean-going traffic on which customs duty was payable. The

Committee pointed out that a customs cordon, known as the "Viramgam Line" ran from the Gulf of Cambay to the Rann of Cutch along the British Indian frontier of the Kathiawar States. Goods imported into Kathiawar ports from abroad and booked from them to stations in British India were examined by the Customs at Viramgam and Dhandhuka, where the junction invoices were stamped with the customs dues, which were collected by the railway at destination.

The Committee were of opinion that with the present complicated Customs tariff and the large number of up-country stations it would be very difficult, if theoretically possible, to introduce generally in India a system of through Bills of Lading for ocean-going traffic.

SHIPMENT OF CONSIGNMENTS TO DENMARK VIA LONDON AND *via* HAMBURG OR ROTTERDAM.

In August 1933 the Director-General of Commercial Intelligence and Statistics forwarded to the Chamber the following extract from a letter received by the Indian Government Trade Commissioner, Hamburg, from the Danish British Association Committee for Trade Development, Vesterport, Copenhagen V, Denmark :—

"..... *Regarding Shipments.* Our institution is interested in promoting sales from Great Britain for which reason we would ask you if it would not be possible for you to arrange that the interested parties in India should pay attention to the matter of shipping *via* London or other British ports instead of *via* Hamburg or Rotterdam. In the case of Tapioco flour the shipments to Denmark will probably not be big enough for sending whole ship loads, but it may be of interest to note that direct boats are leaving Colombo for Denmark about every third week and these boats are frequently taking goods which have been sent to Colombo from other Indian ports and also from Madras. The agency of the East-Asiatic Company, Ld., in Colombo will be pleased to give information regarding sailing schedules."

In acknowledging receipt of the letter the Committee informed the Director-General that at the moment it was not possible for shipments *via* London to compete as the on carrying rates from Hamburg were very much lower. The freight for general cargo per scale ton from Hamburg to Copenhagen was 19*sh.* while from London to Copenhagen it was 37*sh.* 9*d.*

CARRIAGE OF GRAIN CARGOES IN BULK.

In October and November 1933 the Chamber was in correspondence with the Principal Officer, Mercantile Marine Department, Bombay District, in regard to certain rules that had been drafted in connection with the carriage of grain cargoes in bulk. Captain J. F. McKerrell and Mr. R. J. F. Sulivan attended a conference of interests affected on the 22nd November 1933. The draft rules were subsequently submitted to a special Sub-Committee consisting of Messrs. F. T. Commeline, D. Harrington, C. F. Morris and Captains H. Hodgkinson, J. McKerrell and J. C. Richards. In addressing the Principal Officer, Mercantile Marine Department, the Committee mentioned that in examining the draft rules they had had the assistance of a special Sub-Committee of experts, some of whom had practical seafaring knowledge and including among their number at least one who had been in command of vessels carrying grain in bulk and had had the unpleasant experience of serving as an officer in a steamer when a bulk grain cargo shifted during a gale in the Bay of Biscay. The Committee were therefore unlikely to minimise the necessity for suitable rules governing the carriage of grain cargo in bulk, but they did most seriously maintain that, with a specific exception to which reference was made, such rules should only apply to cargo carried in bulk and not to bagged cargo. To make this point clear the Committee

suggested that the words "in bulk" be inserted after the words "Grain Cargoes" in the heading to the draft rules.

The Committee stated that in view of the present depressed condition of British tramp shipping and the danger of making trade entirely unremunerative it would be readily appreciated that only such restrictions as were shown to be really necessary should be imposed on shipping at the present time. The Committee suggested therefore that in framing the rules due account be taken of the improvements which had been effected in the design of the modern tramp steamer, as well as the fact that grain loaded in Bombay seldom brought a vessel down to her marks and therefore left a large margin of safety in her ballast tanks. The Committee supplemented the foregoing remarks with a few suggestions of detail regarding certain of the proposed rules.

INDIAN MERCHANT SHIPPING (SECOND AMENDMENT) BILL.

A Bill further to amend the Indian Merchant Shipping Act, 1923, was introduced in the Legislative Assembly in December 1932 and referred to a Select Committee. In the statement of objects ond reasons attached to the Bill it was mentioned that the International Conference for the Safety of Life at Sea held in London in 1929, and the International Load Line Conference held in London in 1930, adopted, respectively, the International Convention for the Safety of Life at Sea, 1929, and the International Convention respecting Load Lines, 1930. India was represented at both Conferences.

The Government of India, after consultation with the interests concerned, had come to the conclusion that the two Conventions should be ratified by India. In order to

give effect to the Conventions it was necessary to amend the Indian Merchant Shipping Act, 1923, in several respects and the Bill was designed to provide for the carrying out of the requisite amendments. The Conventions had already been ratified by several countries, including the United Kingdom, and would come into force for ships registered in those countries on the 1st January 1933. In the United Kingdom effect had been given to the Conventions by the passing of the Merchant Shipping (Safety and Load Line Conventions) Act, 1932. The Bill was generally based on that Act.

Opportunity had also been taken to carry out certain other amendments in the Indian Merchant Shipping Act which had in the past been noted down for legislation.

The Committee referred the Bill in the first instance to a special Sub-Committee consisting of Messrs. A. W. C. Brown, C. F. Morris, W. O. A. Young and Captains J. F. McKerrell, T. M. Peet and R. R. Kippen, whose report was adopted by the Committee and forwarded to Sir Leslie Hudson, who was a member of the Select Committee of the Assembly appointed to consider the Bill.

Several of the amendments suggested by the Chamber Sub-Committee were adopted by the Select Committee and in again writing to Sir Leslie Hudson after receiving a copy of the report of the Select Committee the Committee stated that they had no further remarks to offer beyond pointing out that a period of one month between publication of rules and their enforcement was not, in ordinary circumstances, a " reasonable " period. The Committee added that it was true that in the particular case of the rules to be promulgated under this Bill when passed, they were not likely to affect the construction of or structural alterations to vessels, but

in the opinion of the Committee the principle of allowing one month's notice in all cases was wrong and should be opposed.

The report of the Chamber Sub-Committee will be found in the Appendices.

The Bill was finally passed by the Legislative Assembly on the 14th September and by the Council of State on the 18th September 1933. It received the assent of the Governor-General on the 21st September 1933.

INDIAN PILGRIM SHIP RULES, 1933.

The Government of Bombay, towards the end of August 1933, asked for the views of the Chamber on a Government of India notification dated 24th of August 1933 publishing a draft of certain rules which it was proposed to make under section 213(1) of the Indian Merchant Shipping Act, 1923 (XXI of 1923).

The Committee were favoured with a copy of a memorandum forwarded by Messrs. Turner Morrison & Co., Ltd., to the Principal Officer, Mercantile Marine Department, in respect of the rules. After a careful perusal of the memorandum the Committee informed the Government of Bombay that they supported the views stated therein and expressed a hope that they would receive due consideration from Government bearing in mind the revolutionary and experimental nature of the proposed changes which it was by no means certain would be entirely acceptable to pilgrims quite apart from the effect they might have on the shipping companies who might find themselves obliged to increase their fares.

STANDARD GHEE RATIONS FOR LASCAR CREWS.

(*See Report* 1929, *Vol. I, page* 177.)

In May 1933 a member asked the Chamber to approach Government with a view to the revision of the existing regulations under which steamship companies must provide lascar

crews with ghee produced only from buffalo and/or cow butter, so as to allow vegetable product or a mixture of natural ghee and vegetable product to be supplied to lascars in place of natural ghee. The Committee after very careful consideration of the question in all its aspects, informed the member that they felt it would be unwise and probably of little use to try and achieve a lowering of the standard of ghee rations so as to admit vegetable product.

The Bengal Chamber in July 1933 intimated that it had received information to the effect that the Commerce Department of the Government of India had decided that any certificate of standard of quality of ghee granted at any port should be accepted at all ports and be valid for a stipulated period. Subsequently the Bengal Chamber stated that no notification had been issued but Government's views were that any certificate granted at one port should be valid at any other port in India. That is to say that a certificate granted at Calcutta could not be invalid, say in Bombay etc., even if the Health Officer's ideas differed as to what constituted pure ghee.

The Committee pointed out to the Bengal Chamber that unless some steps were taken to ensure that effect was given to Government's views the position was still unsatisfactory. The Committee suggested therefore that the Bengal Chamber should approach the Government of India and urge them to issue the necessary instructions to Port Health Officers so as to ensure that a certificate issued at one port should be accepted at another.

PROTECTION AGAINST ACCIDENTS OF WORKERS ENGAGED IN LOADING AND UNLOADING SHIPS.

(*See Reports* 1928, *Vol. I, page* 197; 1930, *Vol. I, page* 183.)

A Bill was introduced in the Legislative Assembly on the 18th September 1933 to give effect in British India to

the Convention concerning the protection against accidents of workers employed in loading and unloading ships. In the statement of objects and reasons attached to the Bill it was mentioned that the International Labour Conference at its twelfth session held in 1929 adopted a Draft Convention concerning the protection against accidents of workers employed in loading or unloading ships. At its Sixteenth Session, held in 1932, the Conference adopted a Revised Draft Convention incorporating in the original Draft Convention certain amendments proposed by Governments who had experienced difficulties of a practical nature in considering the question of ratifying the original Convention. The Revised Draft Convention was of exactly the same scope and character as the original Draft Convention adopted in 1929 and differed from it only in certain matters of technical detail.

After consulting the Local Governments and through them the Port Trusts and commercial bodies the Government of India came to the conclusion that the Revised Draft Convention should be ratified on behalf of India.

The Bill was intended to give effect in India to the Revised Draft Convention.

After referring the Bill to the Shipping and Export Sub-Committee, the Committee informed Sir Leslie Hudson the leader of the European Group in the Legislative Assembly, that when the question was before the Chamber on previous occasions the Committee expressed the opinion that the Indian Workmen's Compensation Act fully covered Indian labour either on shore or in the ship and that further legislation on the subject was unnecessary, as it would only tend to put a still heavier burden on shipowners. The Committee added that they adhered to this opinion.

HOURS OF WORK OF DOCK LABOURERS AND EMPLOYMENT OF CHILD LABOUR IN THE DOCKS.

(*See Report* 1932, *page* 256.)

It was noted in the Chamber's Report for 1932 that the Committee had asked the Bombay Port Trust for their views on the reference that had been received from the Government of India in connection with the recommendations of the Royal Commission on Labour in India regarding the fixation of the hours of work of dock labourers and the raising of the minimum age for the employment of children in docks.

The Chairman of the Port Trust in reply forwarded to the Chamber a copy of a letter he had written to the Director of Information and Labour Intelligence, Bombay, on the subject. In dealing specifically with the recommendations of the Royal Commission the Chairman of the Port Trust stated :—

(*a*) "The normal daily hours prescribed by law should be 9, with overtime permissible up to 3 hours."

In the Port Trust docks the day work hours were as recommended by the Commission. At the Bunders the official hours were 7-30 a.m. to 6-30 p.m. or sunset, whichever was earlier; rest periods within these hours were enjoyed as opportunity presented itself. The Chairman considered therefore that it was practicable to observe the recommendations of the Commission in regard to day hours, though any efficient check in conditions such as obtained at the Bunders would be extremely difficult to exercise. As regards limitation of overtime to three hours, he did not consider that this would be practicable without (*a*) incurring a serious risk of labour trouble and discontent or, alternatively, (*b*) a very considerable increase in the Port's expenditure on account

of extra shifts to cope with night work and increased rates of pay to compensate the labourers for decreased individual earnings. It was estimated that in a normal year the additional expenditure in wages to labourers, cranemen and other similar employees would be not less than Rs. 5 lakhs. This figure did not include the expense of additional checking staff nor did it include any additional cost on account of the clerical staff employed in the docks. As, however, their hours were the same as for the men, it would presumably be necessary to introduce a two-shift system for them also, the cost of which would be considerable. The Chairman pointed out that in addition the compensatory increase in wages of dock labour which the enforcement of the overtime restriction would necessitate, would inevitably encourage other classes of labour in the port, not liable to overtime, to agitate for a corresponding increase in wages. The imposition of these additional burdens on trade, especially in the present acute depression, should be strongly deprecated. There was no reason to believe that port labour as a whole was dissatisfied with its present conditions and the time seemed singularly inopportune to introduce legislation which would undoubtedly have most serious and far-reaching effects. For these reasons and in view of the difficulties explained above the Chairman was strongly of opinion that port labour should be exempted from the proposed restriction of overtime.

(*b*) "Payment for each hour of overtime should be required at not less than 33⅓ per cent. over the ordinary rates."

The proposed restriction of overtime to 3 hours would practically mean doing away with overtime entirely in the case of dock labourers. It would be obviously impossible to have a complete shift of men at 10-30 p.m. and consequently a fresh shift would have to be put on for night work, beginning at 7-30 p.m. Presumably men who had *not* worked during

the day would be allowed to work a complete night (7-30 p.m. to 3-30 a.m.) if necessary and would not be entitled to the extra percentage for overtime. If so the question of higher pay for overtime did not arise. In any event there would appear to be no justification for suggesting a higher rate of overtime than that admissible under the Factory Act,—say 25 per cent. Overtime was keenly sought after under present conditions by the dock labourers and no extra allowance was demanded or paid other than a small " batta " allowance for food. It therefore seemed unnecessary to add to the financial burdens of the Port, seeing that all concerned were satisfied with the existing arrangements and that economy was a matter of vital necessity in present conditions of trade.

(*c*) " The minimum age of employment should be raised to 14 years."

No child labour was employed by the Port Trust and there was no objection to the enforcement of this regulation.

(*d*) " Enforcement should be entrusted to the Factory Inspection Department."

This appeared to be the most suitable medium but the supervising staff of the Port authority should be vested with powers of inspection, subject to submission of such periodical returns as might be required by the Chief Inspector of Factories.

As regards the most suitable method of giving statutory effect to any decisions that might be reached in connection with the proposed regulations, the Chairman of the Port Trust agreed that the proposal of the Government of India to amend the Indian Factories Act by incorporating provisions similar to Section 104 of the Factory and Workshop Act (United Kingdom) appeared to provide the most ready solution.

In conclusion the Chairman suggested that the Government of India should be asked, in finally considering these proposals, to give their full and sympathetic consideration to the existing financial straits of public bodies and of the trading community, and the consequent unsuitability of the present juncture to introduce measures which would impose expensive and unpopular changes upon organised employers of labour. If and when trade conditions took a turn for the better, the expediency might be considered of introducing some form of legislation to restrict the maximum working hours per calendar month in the case of port labour but, in his opinion the present time was most inopportune for the introduction of any legislation of this description.

The Committee in addressing the Director of Information and Labour Intelligence stated that they were in complete agreement with the views expressed by the Chairman of the Port Trust.

Arising out of the above letter from the Chairman of the Port Trust to the Director of Information and Labour Intelligence, Bombay, the Director in replying to the Chairman of the Port Trust stated that if the difficulties in the way of accepting the Royal Commission's recommendations as to hours and overtime were insuperable, the only suggestion of the Commission with regard to dock labour which would remain for consideration would be whether the minimum age for employment in ports should be raised from 12 to 14. The question would thus arise whether it was worth while transferring the responsibility for enforcing this restriction from the "port officers who are also conservators of the port" to the factory inspectorate. The Director enquired as to what the measures adopted to enforce the present restrictions as to minimum age were, whether they

worked satisfactorily, whether they involved any additional cost and whether there was any objection to the same measures being applied to secure the enforcement of a 14-year minimum.

The Chairman of the Port Trust in reply stated that he was in favour of not only the enforcement of future legislation dealing with child labour, but also the necessary inspection, being invested in the factories inspectorate.

The Committee of the Chamber in addressing the Port Trust on the question drew attention to a letter addressed by the Bengal Chamber to the Government of Bengal in February 1933 in which the former pointed out that inspection by the factories department might operate to endanger the good relations which existed between employers and employed and that intervention on the part of the factory inspectors was unnecessary.

The Committee asked for the views of the Chairman of the Port Trust on the feasibility of the Trust instituting an alternative form of internal inspectorate under which, for instance, the Port Department Inspector might, in addition to his other duties, be deputed to issue licenses to contractors in the wet docks and in the harbour and be responsible for the enforcement of the conditions under which the licenses were held.

The Chairman of the Port Trust in reply stated that in a matter of this kind where public opinion—as represented by a very large community of petty contractors and employers of labour—was not genuinely supporting contemplated legislative measures for the improvement of the lot of the employee, systematic attempts at evasion might be anticipated, and therefore very stringent inspection would be

necessary demanding, it was considered, special staff for the purpose.

In the first place it would not be possible for the existing Port Trust staff to undertake this in addition to their other duties, and secondly the Chairman was averse to the Port Trust taking upon itself the onus of carrying out legislative measures, which for the reasons stated, would be difficult to enforce. The difficulties of inspection would be accentuated at this Port on account of the Trust's scattered estates. A further point taken into consideration was the fact that it would be useless for the Trust to provide the supervising staff unless such staff were vested with power to exercise enforcement. If the staff were merely to submit reports to the Inspector of Factories much of their labour would be fruitless since, by the time such reports had been digested the offending employer would probably have succeeded in removing all traces of evidence against himself.

Accordingly, despite any slight interference that might be apprehended from an outside inspecting department, the Chairman adhered to the view that both the duty of inspection and the enforcement of future legislation dealing with child labour should be vested in the factories inspectorate.

The matter was further discussed personally with the Chairman by some of the Chamber's representatives on the Trust, when the following points were made :—

1. In advising Government (the Director of Information and Labour Intelligence) on 25th January 1933, of their complete agreement with the letter addressed to him on 17th January by the Chairman of the Port Trust (then Mr. Sharpe) the Chamber was endorsing, in this particular matter, the view that *enforcement* should be in the hands of the Factory Inspection Department, but that *powers of inspection* should be vested in the supervising staff of the Port Trust.

2. This view was modified in Mr. Bennett's letter to Government of 5th May 1933, where he favoured "not only the enforcement . . . . . but also the necessary inspection, being vested in the Factories Inspectorate."

3. The Committee of the Chamber were inclined to disagree with this modification of the Chairman's attitude, and were apprehensive that the introduction of a system of Government inspection might endanger the amicable relations existing between Dock labourers and their employers.

4. It was noted that, so far as the Bombay Port Trust was concerned, the only matter at issue, for the time being at any rate, was the minimum age for employment of child labour. That being so, it seemed to the Committee particularly undesirable gratuitously to admit Government inspectorate for a matter relatively of so little importance, and so easy to control. There was the further point that the proposal of the Whitley Commission which was in question was simply to raise the minimum age for employment in Ports from twelve to fourteen, not to introduce a new principle that there should be a minimum age. It was therefore suggested that the duty of inspection to secure compliance with the new regulation would impose no greater responsibility than existed already.

5. As for the point made in the Port Trust letter, that inspection, without power of enforcement, would in most cases be nugatory, it was suggested that the system of licenses under which, it was understood, all contractors, etc., worked on the Port Trust premises, should suffice to give the executive staff all the control required, and that fear of loss of license should ensure observance of any regulation laid down in regard to employment of child labour.

These points were put on paper at the request of the Chairman of the Port Trust to the President of the Chamber,

and the Committee in doing so expressed a hope that they would be considered to provide a satisfactory solution of the matter.

As a result of these representations the Chairman of the Port Trust again addressed the Director of Information and Labour Intelligence and stated that he was still of opinion that the delay which must inevitably occur in reporting cases to the Factory Inspector, or whoever would take the necessary legal action under the Act, would render the report nugatory except in very flagrant cases. The Chairman added that in deference to the views of the Bombay Chamber of Commerce, he would however be prepared to recommend to the Trustees that the Port Trust undertook the necessary inspection in the Docks area. The Trust had no control whatsoever over the labour at the Bunders and Basins and no machinery for effecting inspection. He regretted therefore that he could not recommend that the Trust undertook the responsibility for inspection of these. It appeared probable that it would not be possible to carry out efficiently the inspection in the Docks area without additional staff. In the event therefore of the Trust being required to undertake this inspection, the Chairman requested that he might be informed whether Government would be prepared to reimburse the expense of any additional staff employed specially for the purpose.

FORM OF SEAMEN'S ARTICLES OF AGREEMENT.

FOREIGN-GOING SHIPS EMPLOYING NON-LASCAR CREWS.

(*See Report* 1930, *Vol. I, page* 186.)

In August 1932 the Shipping Master, Bombay, forwarded to the Chamber a draft of a form of a proposed agreement for foreign-going ships employing non-lascar crews (European, Chinese, Malayan and other non-British coloured seamen) and asked for the views of the Chamber thereon.

The Shipping Master also asked the Chamber to suggest the scale of provisions that might be considered suitable for seamen other than Europeans, *e.g.*, Chinese and Malays signing on the proposed articles of agreement. After consulting members of the Chamber interested, the Committee in replying to the Shipping Master stated that it would appear that it was the intention of Government to sign European Officers and Engineers and other non-Indian ratings separately on the proposed new non-lascar agreement instead of on the lascar agreement as had been done hitherto. The Committee had no objections to raise to any of the clauses in the proposed agreement except clause No. 1 under which a seaman might leave a steamer provided he satisfied the Master that he had obtained employment elsewhere and furnished a substitute. The Committee pointed out that in addressing the Government of India through the Port Officer in January 1930 (*see* Chamber's Report for 1930, Vol. I, page 186) they raised very strong objections to the insertion of this clause in Seamen's Articles of Agreement and they still adhered to these objections.

In regard to the scale of provisions it would appear that the only non-European ratings who were affected by the new proposals were the Malay and Chinese crews and the Committee submitted a schedule giving the scale of provisions that they were allowed at the moment.

RECRUITMENT OF SEAMEN IN BOMBAY.

(*See Reports* 1931, *Vol. I, page* 224 ; 1932, *page* 215.)

The Principal Officer, Mercantile Marine Department, Bombay District, informed the Chamber in September 1933 that the Government of India had examined the recommendations of the Royal Commission on Labour in India relating to seamen in the light of the views expressed by the Principal Officers of the various ports in India and others consulted

and had decided that Recommendations Nos. 156, 157 and 160 (second part, *i.e.*, the possibility of signing on taking place in the Shipping Office) should be discussed with Steamship Companies and Seamen's Unions. Mr. A. Raisman, I.C.S., Deputy Secretary to the Government of India in the Department of Commerce, was therefore expected in Bombay in the above connection on Tuesday, the 17th October 1933, along with Captain E. V. Whish, O.B.E., R.I.M. (Retd)., Nautical Adviser to the Government of India, and it was arranged to hold a meeting on that day at 11 a.m.

The Chamber was asked to nominate representatives to attend the meeting.

The Committee in reply informed the Principal Officer, Mercantile Marine Department, that they understood that Mr. J. J. Flockhart of Messrs. Mackinnon Mackenzie & Co., and Mr. T. E. Cunningham of Messrs. Turner Morrison & Co., Ltd., had been invited to attend the meeting and as these two gentlemen would be able fully to represent the views of the Chamber on the points to be discussed the Committee did not propose to nominate anyone else to attend the meeting on behalf of the Chamber.

LIGHT DUES.

(*See Reports*, 1927, *Vol. I, page* 174 ; 1928, *Vol. I, page* 194 ; 1929, *Vol. I, page* 182 ; 1930, *Vol. I, page* 182 ; 1931, *Vol. I, page* 231 ; 1932, *page* 212.)

The following matters were dealt with at the sixth meeting of the Central Advisory Committee for Lighthouses held on the 5th January 1933 :—

1. *Classification of ships as "Foreign-going" and "Home Trade" for the purposes of Rule* 44 *of the Lighthouse Accounting Rules.*

The Committee was informed that in all the Lighthouse Districts, except Bombay, the classification of ships as

"Foreign-going" and "Home Trade" for the purposes of the statistical statement compiled under Rule 44 of the Lighthouse Accounting Rules was based on the definitions of these terms as given in sub-sections (2) and (3) of section 2 of the Indian Merchant Shipping Act, 1923. The Superintendent of Lighthouses, Bombay District, had been asked to instruct all the Collectors of Customs in his district to adopt the practice followed in the other districts.

2. *Improvements to the General Lighthouses and Lighthouses and Lightships recommended by the Chief Inspector of Lighthouses.*

The Committee agreed to the following proposals :—

(1) Improvements in the L.V. 'Thibaw', which is to be released from the China Bakir Station in the Rangoon Lighthouse District, in order to make her fit to replace the lightvessel "Sarsuti" at the South Patches Light Station.

(2) Purchase of a new clockwork machine for the Cape Monze and the Balfe Point Lighthouses.

(3) Improvement of the Point Calimere Lighthouse.

3. *Account of the Lighthouses and Lightships Department for* 1931-32 *and the Budget Estimates for* 1933-34.

The Committee accepted the Accounts and the Budget Estimates as prepared. In this connection the question of a further reduction in the rate of light dues was discussed. In view of the strong financial position of the Lighthouses and Lightships Department, the Committee was in favour of a reduction by one pie per ton, *i.e.*, to 1 anna and 2 pies per ton. But owing to the absence of a large number of the members, the Committee desired that the opinion of the absentee members might also be ascertained in the matter before a decision was taken by Government.

The following Notification No. 25-P & L-(10)/32 was issued by the Department of Commerce of the Government of India on the 27th May 1933.

"In exercise of the powers conferred by sub-section (1) of section 10 of the Indian Lighthouse Act, 1927 (XVII of 1927), and in supersession of the notification of the Government of India in the Department of Commerce, No. 25-P. & L-(3)/31, dated the 19th March 1932, the Governor-General in Council is pleased to prescribe that light dues shall be payable at the rates specified below, namely;—

(*a*) All ships other than sailing ships arriving at, or departing from, any port in British India, except the vessels mentioned in (*b*) below, 1 anna and 2 pies per ton.

(*b*) Ships, other than sailing ships calling at Aden and/or Perim and not proceeding to another port in British India. 1 pie per ton.

(*c*) Sailing ships, half the rates in (*a*) and (*b*) above.

[*NOTE.*—The rate under (*a*) was formerly one anna and three pies per ton. In accordance with the provisions of section 10 (3) of the Indian Lighthouse Act, the revised rate of light dues took effect on the expiry of 30 days from the date on which the order was notified in the *Gazette of India.*]

PERSIAN GULF LIGHT DUES.

The Government of India informed the Persian Gulf Lighthouse Advisory Committee in January 1933, that the following procedure should in future be adopted for the collection of the Persian Gulf Light dues in the Iraq currency. The amount of the dues to be levied should be calculated in the first instance at the rate of one anna per ton in and one anna per ton out but the actual recovery should be made in the Iraq currency at the ruling rate of exchange which was at the moment 75 fils to the rupee. Any fraction

of a rupee left over after conversion at the above rate should be converted into fils at the rate of 5 fils to the anna in accordance with the currency law of Iraq.

The Government of India did not, however, consider it necessary to give retrospective effect to this procedure or to grant a rebate of the excess dues paid by shipping after the 1st April 1932, as the excess amount collected had been more or less off-set by the losses on exchange, bank charges, etc., incurred by the Persian Gulf Lighting Service Fund in the remitting of money to and from Iraq.

PERSIAN GULF LIGHTS.

BAHREIN.

(*See Report* 1931, *Vol. I, page* 231.)

It was mentioned in the Chamber's Report for 1931, that the Committee had expressed themselves in favour of the provision of a lightship at Bahrein in the interests of the safety of life and property at sea. Intimation was received in January 1933 that the Government of India had sanctioned the provision of a lightship.

RULES UNDER THE SANITARY CLAUSES OF THE INDIAN PORTS ACT.

(*See Report* 1927, *Vol. I, page* 188.)

In August 1933 the Government of Bombay asked for the views of the Chamber on the following draft of a notification which it was proposed to issue in exercise of the powers conferred by clause (*p*) of sub-section (1) of section 6 of the Indian Ports Act, 1908 (XV of 1908).

No. —In exercise of the powers conferred by clause (*p*) of sub-section (1) of section 6 of the Indian Ports Act, 1908 (XV of 1908), the

Governor in Council is pleased to make the following rules for the prevention of danger arising to the public health by the introduction and the spread of small-pox from vessels arriving at or being in any port in the Bombay Presidency (excluding Sind) subject to the said Act and for the prevention of the conveyance of infection or contagion by means of any vessel sailing from any such port;—

1. Any person sailing by a vessel, whether as a passenger or as a member of the crew, from any port in the Bombay Presidency subject to the said Act to any port outside India may, at the discretion of the Port Health Officer, be required before sailing to satisfy him that he has been vaccinated or re-vaccinated against small-pox not less than twelve days and not more than three years before the date of sailing or that he has scars proving a previous attack of small-pox.

Provided that for a period not exceeding six months from the date of this notification the Port Health Officer may, at his discretion, permit any such person to embark although he has not been vaccinated or re-vaccinated within the period mentioned in this rule if such person has accepted vaccination or re-vaccination by the Port Health staff or produces evidence to the satisfaction of the Port Health Officer that he has been vaccinated or re-vaccinated within the twelve days immediately preceding the date of sailing.

2. An onward bound passenger and any member of the crew of a through ship may, at the discretion of the Port Health Officer, be required to satisfy him, before being permitted to land, that he has been vaccinated or re-vaccinated not less than 12 days and not more than three years before the date fixed for the departure of the vessel or that he has scars proving a previous attack of small-pox.

Provided that, for a period not exceeding six months from the date of this notification, the Port Health Officer may, at his discretion, permit any such passenger or member of the crew to land although he has not been vaccinated or re-vaccinataed within the period mentioned in this rule if such passenger or member has accepted vaccination or re-vaccination by the Port Health staff or if he produces evidence to the satisfaction of the Port Health Officer that he has been vaccinated or re-vaccinated within the twelve days immediately preceding the date of arrival of the ship in port.

3. If a vessel calling at any port in the Bombay Presidency subject to the said Act has on board a person who being required under these rules to satisfy the Port Health Officer as to his vaccination fails to satisfy him, such vessel shall be kept in quarantine until her departure from such port.

4. The Port Health Officer shall vaccinate or cause to be vaccinated any person on board any such vessel who wishes to be vaccinated by the Port Health staff on payment of the following charges :—

(*a*) in the case of members of the crew—One rupee for each person vaccinated.

(*b*) in the case of passengers—

(*i*) if the vessel carries a medical officer—Such charges as are laid down by Shipping Companies for the guidance of ships' surgeon subject to a minimum fee of Rs. 5.

(*ii*) if the vessel does not carry a medical officer.—One rupee for each person vaccinated.

After consulting the Shipping and Export Sub-Committee the Committee informed the Government of Bombay that they had no objections to raise to clauses, 1, 2 and 4 but they felt that clause 3 might lead to complications for everybody concerned, passengers as well as ships. They suggested that this clause might be amended to read as follows :—

" If a vessel calling at or remaining for any period in any port in the Bombay Presidency subject to the said Act has on board a person who, being required under these rules to satisfy the Port Health Officer as to his vaccination, fails to satisfy him, such person shall be kept in quarantine in the vessel, upon which shall be placed, until her departure from that port, such restrictions as may be deemed necessary in the interest of the ship and passengers by the Port Health Authority."

VIZAGAPATAM HARBOUR.

In August 1933 the Chamber received a copy of the more important rules and rates which were to be introduced at Vizagapatam Port with effect from the 5th October 1933, the date on which the Harbour was opened for the admission

of ocean going vessels. The rules were placed at the disposal of members interested.

The following press communiqué was issued by the Department of Commerce of the Government of India on the 31st August 1933 :—

"It is notified for general information that the new Harbour of Vizagapatam will be opened to traffic on or about the 5th October 1933. The hours during which it will be open are from half an hour before sunrise to half an hour after sunset. Pilotage and the attendance of the Port Tug will be compulsory and no lighterage arrangements for vessels lying in the Roads will be available after the opening of the Harbour. From the date of opening and until further notice entrance to the Harbour will be restricted to vessels of a draft not exceeding 26 feet.

The accommodation which will be available for berthing ships in the Harbour consists of three quay berths and three off shore moorings.

Ships arriving at the port after the opening of the Harbour should await the pilot in the roadstead with the Old Battery at the foot of the Dolphin's Nose Hill bearing West distant about one mile."

PERSONAL DEPOSIT ACCOUNTS WITH THE PORT TRUST.

In March 1933 it was brought to the notice of the Committee by a member of the Chamber that the Bombay Port Trust levied a fee for issuing to holders of personal deposit accounts half-yearly certificates of the balances in their accounts if such certificates were required for dates other than the 30th September and 31st March.

The Committee suggested to the Docks Manager that the Port Trust might come into line with the Customs Authorities and the Railways and issue certificates of balance without charge whenever required by depositors. This the Docks Manager agreed to do.

PLASTER OF PARIS.

Port Trust Wharfage.

Representations were received by the Chamber in October 1933 in regard to the heavy wharfage charges levied by the Bombay Port Trust on Plaster of Paris. At the moment Plaster of Paris was charged under item 20-F at 12 annas plus 12½%=13½ annas per case of 1 cwt. which was roughly 5 per cent. of the value of the goods. Gypsum, the raw material from which Plaster of Paris is made, was charged under item 20C at Rs. 3 plus 12½%=Rs. 3-6-0 per ton or just below 2 annas and 9 pies per cwt. For Customs Duty purposes the Customs authorities classify Plaster of Paris under "Chemicals".

The Committee carefully considered the question in consultation with the Import Sub-Committee of the Chamber and in addressing the Port Trust in the matter stated that in their opinion a more reasonable rate for Plaster of Paris would be Rs. 3 per ton, *i.e.*, the same as was charged for Chemicals (Item 11E) and China Clay (Item 20D). The Committee expressed a hope that the Trustees would see their way to reduce the charge to the above mentioned figure.

CONTRIBUTION OF BOMBAY MUNICIPALITY TO BOMBAY IMPROVEMENT TRUST.

A Bill was published in the *Bombay Government Gazette* of the 3rd February 1933, the object of which was to amend the City of Bombay Improvement Trust Transfer Act, 1925. In the statement of objects and reasons attached to the Bill it was mentioned that the annual contribution made by the Municipal Corporation of the City of Bombay to the Board of Trustees for the Improvement of the City of Bombay was equal to two per cent. of the rateable value of the buildings and lands in the City of Bombay. Despite this assistance

the Board had been working at a loss since the year 1922-23 and considerable additional revenue would be required to make the operations of the Board self-supporting in a reasonble period. The Corporation had promised to bear a share of this additional burden to the extent of 1 per cent. of their general tax. In order to prevent the accumulation of debt, Government enhanced the rate of duty on tobacco imported into the town of Bombay with effect from the 19th March 1932 under Bombay Act I of 1932, and the additional revenue accruing from such enhancement of duty was being held to the credit of the account of the Trustees for the Improvement of the City of Bombay. The quadrupling of the tobacco duty was effected on the understanding that the Corporation would provide the additional 1 per cent. of general tax with effect from the current year. As the contribution expected from the Corporation was not yet forthcoming, and as the Corporation had refused to agree to make available an additional amount equivalent to 1 per cent. of the general tax, until Government had made further provision for additional sources of income, Government had considered it desirable to amend the City of Bombay Improvement Trust Transfer Act, 1925, as proposed in the Bill pending the passing of the proposed Bill for the amalgamation of the Board with the Corporation. It was considered that this amendment would set the Board on a firmer financial basis and cause for grave anxiety as to the future of the Board would to this extent be removed.

The Chamber's representatives in the Legislative Council were advised that the Committee considered that the Bill should be supported.

No motion for the introduction of the Bill was made, however, in the Legislative Council.

BOMBAY IMPROVEMENT TRUST.

TRANSFER TO THE BOMBAY MUNICIPALITY.

(*See Reports* 1925, *Vol. I, page* 259; 1930, *Vol. I, page* 221.)

A Bill was published in the *Bombay Government Gazette* of the 27th January 1933, the object of which was to amend the City of Bombay Municipal Act, 1888, with a view to transfer the powers and duties of the Trustees for the Improvement of the City of Bombay to, and to vest the property and rights vested in the said Trustees in, the Municipal Corporation of the City of Bombay, on the dissolution of the Board of the said Trustees. In the statement of objects and reason attached to the Bill it was mentioned that the City of Bombay Improvement Trust Transfer Act which became law in 1926 was passed with the purpose of transferring the powers conferred on the Board of Trustees under the City of Bombay Improvement Act, 1898, and the property and the rights of the Board to the Municipal Corporation of the City of Bombay. But it was recognised from the outset that the measure was a transitional one and provision was made in Section 83 of the Act for dissolving the Board of Trustees by a notification and transferring their assets and liabilities to the Corporation.

In 1928 the Corporation addressed a letter to the Government of Bombay criticising the working of the transitional system in several important respects and asking for the dissolution of the Board of Trustees under section 83 of the Act. The Corporation pointed out that they were in a position to discharge all the development activities of the Trust and that the continuance of the Board of Trustees as a separate entity could not be justified either on constitutional or financial grounds. In 1929 they indicated the form of management which they desired and gave a rough outline of the legislation

and administrative changes which they contemplated. These proposals formed the basis of discussion which took place between representatives of the Corporation and of Government at Poona in August 1930. General agreement was reached as to the outlines on which legislation should be undertaken and the Corporation undertook to furnish detailed proposals as a basis for the drafting of a Bill. These proposals were submitted to Government in November 1931 and a draft Bill was accordingly prepared by Government and was sent to the Corporation for criticism in June 1932. The Corporation appointed a Committee to examine the draft Bill and they submitted a careful and thorough report dated September 15th, 1932 of which a copy had been supplied to Government. The draft Bill had been completely revised after taking into account the recommendations of the Committee. Government agreed that the Board of Trustees should be dissolved with the previous sanction of the Government of India and that the powers and duties of the Board should be transferred to the Corporation. The object of the present Bill was to carry out the aforesaid transfer by the amendment of the City of Bombay Municipal Act, 1888.

The Committee referred the Bill for consideration and report to a special Sub-Committee consisting of Sir Hugh Cocke, Messrs. L. A. Halsall, Meyer Nissim, Alwyn Ezra, R. H. Parker and G. J. J. Griffiths.

The Sub-Committee recommended that the Bill should be approved subject to the following comments and any further points of detail which might emerge during the discussion in the Select Committee.

Clause 5, *New Section* 49*B*.—The proposed constitution of the Improvements Committee was approved. Any suggestion that its members should be appointed to represent

communal or other special interests was to be deprecated and should be opposed.

Clause 6, *New Section* 56*A*.—The appointment of a Deputy Municipal Commissioner (Improvements) was approved.

Clause 7, *New Section* 58*A*.—In this clause it was laid down that the Deputy Municipal Commissioner (Improvements) should receive a monthly salary not exceeding Rs. 2,000 and not less than Rs. 1,200. In the existing section 58 of the Act the limits of salary for the Deputy Commissioner were fixed at Rs. 1,500 and Rs. 1,200 respectively, and it was thought that the same should apply to the proposed new post except in the event of the present Chief Officer of the Improvement Trust being appointed when the maximum salary might be Rs. 2,000.

Clause 18, *New Section* 91*A* (3) was agreed to on the distinct understanding that Government would guarantee that the Cooperage Plot and the Marine Lines Maidan should not be built upon.

Clauses 21-23, *Borrowing Powers*.—It was understood that these clauses had been agreed upon between the Corporation and Government and they therefore required no comment from the Chamber except that in clause 21, New Section 106 (*b*), it was laid down that no loan exceeding in amount twenty-five lakhs of rupees should be contracted by the Corporation unless the terms of such loan had been approved by the Governor-General in Council, while in the Notes on Clauses the limit was given as Rupees twenty lakhs The latter figure appeared to be an error.

Clause 39, *Transfer of Staff*.—This clause laid down that from the date on which the Act came into operation every officer and servant of the Trust should be deemed to be a

Municipal officer or servant. It had been represented to the Chamber that the Corporation would not require the whole staff of the Trust after the amalgamation, the idea being to merge the Trusts' activities into the Municipal Department carrying on similar work in order that the work of the Trust might be conducted at a minimum cost. The Trust being a temporary body, the staff were given liberal conditions of service as it was anticipated that their services would be dispensed with after the amalgamation. It was possible that the salaries of certain officers and servants of the Trust might be higher than those of Municipal officers and servants doing the same kind of work and it would be necessary to adjust the grades of the Trust's staff according to the grades prevailing in the Municipality.

It was understood that the Corporation desired that it should be provided that the services of all the employees of the Improvement Trust should terminate on the day preceding the day on which the Amending Act came into operation and that thereafter the Commissioner might appoint such of the employees and on such terms as he considered necessary. The employees who were not taken on permanently in Municipal service would be entitled to such leave, pay, gratuity and provident fund as they would have been entitled to receive from the Board of the Improvement Trust.

It was suggested that in this matter consideration should be given to the Corporation's point of view seeing that the main object of the amalgamation was to improve the finances of the Trust by effecting economy in its administration.

The Report of the Sub-Committee was adopted by the General Committee and forwarded for information to the Chamber's representatives in the Legislative Council.

The Bill was referred to a Select Committee and was passed eventually by the Legislative Council on the 10th August 1933. It received the assent of the Governor-General on the 26th September 1933.

PROPOSED TERMINAL TAX ON PASSENGERS.

The Government of Bombay informed the Chamber in February 1933, that the Bombay Municipal Corporation in order to enable them to cope with the increased expenditure involved in taking over the administration of the Bombay Improvement Trust had proposed certain fresh ways of augmenting the municipal revenues. One of the suggestions was the levy of a terminal tax on passengers entering and leaving Bombay City. Government asked for the views of the Chamber on the question.

The Committee in reply stated that they were not prepared to commit themselves to an expression of opinion on the question at this stage. They suggested that the matter be discussed at a conference of the parties interested including the Railways, the Port Trust, the steamship companies and commercial bodies.

A similar suggestion was put forward to the Government of Bombay by the Bombay Port Trust. A reply was received by the Chamber, and, it was understood, by the Bombay Port Trust also, to the effect that Government had decided not to convene such a conference. Moreover, it appeared from a letter addressed by Government to the Mayor of Bombay, and published in the Press on the 10th July 1933, that the Government of Bombay had already undertaken to recommend to the Government of India the proposal of the Bombay Municipal Corporation for the imposition of a terminal tax on passengers.

As the Government of Bombay declined to facilitate an impartial examination of the proposal, the Committee decided to address the Government of India direct, and express their strong opposition to the levy of what they considered to be an unnecessary and vexatious tax on transport, which would tend to have a detrimental effect on the popularity of Bombay as a passenger port.

In their letter to the Government of India the Committee stated that it was understood that the Bombay Port Trust, having hitherto, like this Chamber, merely invited Government to initiate open discussion of the matter, proposed to represent to the Government of Bombay their strong objections to the tax. Such representation would no doubt in due course come before the Government of India. The opposition of the Port Trustees was believed to be based mainly on the considerations that, so far as its application to sea-borne passenger traffic was concerned,

(*a*) such a tax would be an encroachment on legitimate sources of Port Trust revenue;

(*b*) it could only be justified if levied by the authority providing facilities which the tax was intended to promote;

(*c*) in view of the provisions of section 71 of the Bombay Port Trust Act, the collection of such a tax by the agency of the Port Trust would be of doubtful legality;

(*d*) the Port Trust, having (*c*) in mind, had already imposed a charge on the baggage of oversea passengers. The addition of a capitation tax, which the Trustees had themselves avoided, would be at the best an annoyance, which would detract from the popularity of Bombay as a passenger port, and at the worst a serious impost on cheap passenger traffic by coastal vessel.

The Committee stated that they supported these views, and added, in regard to (*b*), that the Municipal Corporation could not sustain a claim that passengers entering and leaving Bombay would enjoy any amenities provided by the

Corporation in return for the tax. The avowed object of the tax was to assist in covering the recurring deficits in the finances of the Improvement Trust, from whose activities, past or present, it could not be said that the visitor passing through Bombay derived any benefit.

The Committee emphasised also the final point made in para. (*d*) above. A charge of Rs. 3 before a first class passenger from overseas was allowed to land in Bombay might be little more than an irritant. A levy of an anna from a third class passenger on a coasting steamer, whose ticket had cost him five or six annas, was in a different category.

The Committee mentioned that at a conference held in Poona in August 1930, between representatives of the Government of Bombay and of the Corporation, the Municipal Commissioner quoted the Taxation Enquiry Committee as having stated that terminal taxes were not objectionable. Reference to paragraph 448 of the Report of that Committee would show that this claim was not justified. The Committee mentioned the existence of such a tax in two Indian ports, but their general conclusion was that it was difficult to justify a tax levied for the benefit of its permanent residents on passengers who merely passed through a city.

The Municipal Commissioner also claimed the support for this form of taxation of Mr. W. T. (now Sir Walter) Layton. The reference was no doubt to his share in the Report of the Indian Statutory Commission (Vol. II, Part VIII, Chapter 4, Section 274). Actually Mr. Layton was there dealing exclusively with terminal taxes on goods, and not on passengers.

The Committee noted, from the Press reference mentioned above, that the Government of Bombay had criticised the

failure of the Municipality and of the Improvement Trust, as the result of deliberate prohibition policy, to secure certain considerable excise revenue which was already available to them. The Committee agreed with this criticism and urged that the Corporation should not be permitted to tap fresh sources of revenue while some already available to them remained unexploited.

Further, under the proposals for Indian Constitutional Reform as set out in the White Paper, the imposition of "terminal taxes on railway, water or air-borne goods and passengers" was among the sources of revenue reserved for Federal legislation (Appendix VI, list I, item 52). This would appear to be an additional and cogent argument against imposition now by a Municipal Corporation of taxes which it might not be in a position to levy when the new constitution came into existence.

In conclusion the Committee expressed the earnest hope that, when the Government of Bombay referred the question to the Government of India, the latter would decline to sanction the proposed tax.

TOWN DUTY ON IMPORTED FOREIGN RAW COTTON.

(*See Report* 1932, *page* 232.)

The Muncipal Secretary in May 1932 again addressed the Chamber in regard to the proposal of the Municipal Corporation to impose a town duty on raw cotton imported into Bombay from foreign countries, and forwarded copies of a report of the Municipal Commissioner on the question and representations from the East African Cotton Merchants' Association and the Bombay Port Trust pointing out how the imposition of such a duty would have an adverse effect

on the import trade of Bombay. The Municipal Secretary asked that the considered views of the Chamber on the question might be forwarded to him.

The Committee again carefully considered the matter and in replying to the Municipal Secretary stated that they confirmed the views previously expressed by them. They did not think that the case against the duty could be much better put that it was by the Municipal Commissioner himself and for the reasons given by him they most strenuously opposed the proposed duty. It was not possible at the moment to prove by figures the progressive loss of trade to Bombay for the reason that the season for East African cotton, which was the chief factor, was from April to August. The only real comparison available would appear to be for the one month of April 1932 (when imports into Kathiawar Ports first began) and the same month of 1933. This was clearly too brief a period to be reliable but the Committee were informed by those in a position to know that the figures for the whole of the current season would show a considerable increase over last season's. The Committee pointed out to the Municipal Secretary that this tendency of diversion of trade from Bombay to Kathiawar ports could only be accentuated by any further disability on imports into Bombay, such as was proposed by the levy of a town duty.

In July 1933 the Chamber was invited by the Municipal Corporation to nominate representatives to attend a meeting of the Law, Revenue and General Purposes Committee of the Corporation for the purpose of discussing the question of the proposed levy of a town duty on all cotton imported into Bombay from foreign countries. Mr. J. F. Macdonell and Mr. J. Barnes were nominated by the Committee for the purpose.

The Chamber was informed in September 1933 that the Municipal Corporation had adopted the report of the Law, Revenue and General Purposes Committee of the Corporation recommending that the proposal to levy a town duty on all cotton imported into the city of Bombay from foreign countries should be dropped.

DIVERSION OF THE TRADE IN COTTON FROM BOMBAY.

(*See Report* 1932, *pages* 52, 160, 232.)

The East India Cotton Association asked the Chamber in April 1933 to nominate a representative to confer with a Sub-Committee of the Association in regard to the diversion of the trade in cotton from Bombay. The Committee nominated Mr. J. F. Macdonell for the purpose.

The Committee were subsequently advised by Mr. Macdonell that at a meeting held in the rooms of the Association on the 1st June the following points assumed prominence in the course of discussion :—

(*a*) The present Municipal Town Duty of Re. 1 per bale on Indian cotton brought into Bombay;

(*b*) The Customs import duty of ½ anna per lb. on foreign cotton imported into India;

(*c*) The scale of charges levied by the Bombay Port Trust;

(*d*) Railway freight tariff on cotton.

Mr. Macdonell was asked to obtain the views of the Chamber on the whole question of the diversion of the cotton trade from Bombay.

The Committee subsequently addressed the East India Cotton Association on the subject and stated that all the

above and various other aspects of this problem had for some time been engaging their unremitting attention. The Committee pointed out that it was necessary to recognise that not only Karachi, but also the Kathiawar Ports, to which in particular it was assumed that the Association's enquiries were directed, possessed in some cases natural advantages mainly geographical, which made them the economic route both for export of cotton from certain districts, and for import of cotton bound for certain destinations. In so far as this was the case, the Committee considered that it would be fruitless to seek to recover for the Port of Bombay trade which had discovered, and which would inevitably continue to use, its natural line of outlet or inlet.

This perfectly proper movement, however, was undoubtedly being accelerated and extended beyond its natural limits by certain artificial advantages enjoyed by Kathiawar Ports, particularly by Bhavnagar. It was against these, in the opinion of the Committee, that the efforts of commercial interests in Bombay should be directed, in the hope of securing their mitigation or removal. These advantages went very far beyond the Town Duty on Indian cotton entering Bombay, which was stated to be the initial objective of the conference convened by the East India Cotton Association. First and most fundamental were the Treaty rights, in respect of Customs import duties, enjoyed by some of the Kathiawar States. It was the revenue from this source collected and retained by Bhavnagar State, and enlarged at the expense of the Government of India's revenue with every enhancement of the Imperial Customs Tariff, which had enabled that State to develop its ports without capital cost, and in consequence to organise facilities for the handling of trade with which, in respect of cheapness no port, not aided by these adventitious advantages, could hope to compete.

The main features, and the inequity, of this position were clearly put in paras 242/3/4 of the Report of the Indian States Enquiry Committee, which reported in July 1932. The Committee enclosed a copy of a letter which, on 17th November 1932, they addressed in this connection to certain delegates to the third session of the Round Table Conference, of which at the time copies were also sent to the Government of India and to the Government of Bombay. (*See Report for* 1932, *page* 52). In this letter the Committee elaborated the question of the uneconomic competition from the Kathiawar Ports with which the Port of Bombay was faced, and urged that the discovery and application of a remedy was a matter of vital importance to the continued prosperity of this City.

The problem was admittedly one of extreme difficulty, but, in the opinion of the Committee, the question of those Treaty rights was the crux of the whole matter, and, until they could be satisfactorily reviewed, no real solution could be looked for.

It was felt, however, that this consideration should not divert commercial interests in Bombay from continued attack on contributory causes to the trouble and the Committee briefly commented on four of these which are set out above :—

(*a*) *Town Duty on Indian Cotton.*—This Chamber had not hitherto concentrated very much attention on this impost, regarding its removal as one of the less probable means by which relief might be afforded to the cotton trade of Bombay. The Committee were, however, in full agreement with the Association as to the desirability of its repeal. The main grounds for demanding this appeared to be :—

(1) that the duty represented a special tax imposed for a special purpose which had long since largely disappeared ;

(2) that the duty did constitute one additional charge, albeit a small one, imposed on cotton either consumed in or exported from, the Port of Bombay only.

The Committee were, however, very doubtful as to the success of representations to the Municipal Corporation or to the Government of Bombay for removal of the tax, in defence of which at this time the Corporation could no doubt plead that the revenue derived therefrom was particularly needed in view of their impending assumption of the liabilities of the Improvement Trust.

This aspect of the case was emphasised by the proposal, then under consideration by the Corporation, for the introduction of a new Town Duty, also at Re. 1 per bale, on import into Bombay of foreign cotton. The Committee were disposed to think that the first concern of those interested should be to secure withdrawal or defeat of this proposal which the Committee had hitherto strongly opposed, and would continue to oppose.

The Committee forwarded for the information of the East India Cotton Association an extract from this Chamber's annual report of the year 1932 (pp. 232/5) and also enclosed a copy of a further letter dated 25th May 1933, which they had addressed to the Secretary of the Municipal Corporation in connection with this proposal.

(*b*) *Customs Import Duty on Foreign Cotton.*—A reference was made in the letter to the Round Table Conference Delegates, which is referred to above, to the action taken by this Chamber in regard to the Customs duty on imported raw cotton. The Committee drew the attention of the East India Cotton Association to another extract from the Chamber's report for 1932 (pp. 160/4) in which the line

taken by the Chamber was summarised. The Committee also enclosed copies of their letters of 3rd March and 6th May 1932 respectively, addressed to the Government of India, Commerce Department, the one by this Chamber, and the other jointly by the Chamber and by the Millowners' Association.

(*c*) *Bombay Port Trust Charges.*—According to information supplied to the Committee, there was undoubtedly a wide discrepancy between the shipping charges levied at the main Kathiawar ports, and those payable in Bombay. In the former, the charges on cotton from f.o.r. to f.o.b. worked out to about 14 annas per candy (exclusive of godown rents), whereas similar services in Bombay cost Rs. 5-1-0 per candy. It would be seen that, even if the whole of the Town Duty of Rs. 2 per candy were eliminated, the charges in Bombay would still be more than three times those at the Kathiawar ports. It was clear that the difference could be bridged only by most drastic reductions in wharfage and other charges, which this Chamber was satisfied that it would not be possible for the Port Trust to make consistently with its obligations under the Port Act.

In this connection the Committee again referred to the Chamber's report for 1932 (pp. 219/20).

(*d*) *Railway freight.*—This again appeared to the Committee to be primarily a matter of geographical position. The Committee's information was that, from practically all stations in Kathiawar, and from numerous ones in Central India, railway freight was in favour of the Kathiawar ports. So far as the journey was over lines in British India, there was presumably no preference in rates between the two destinations. Rates charged by the Indian State railway systems were a matter beyond the influence of Bombay

commercial bodies, and indeed outside the control of the Government of India. It was believed, however, that in respect of the journey within the Kathiawar states, cotton consigned to Bombay was at a disadvantage in the matter of railway freight. The Committee had authoritative information that the Bhavnagar Railway's ordinary rates for cotton, full-pressed, from *via* Wadhwan and *via* Dhandhuka to Bhavnagar were Re. 0-6-4 and Re. 0-5-6 per maund, but that these rates had been reduced to Re. 0-5-10 and to Re. 0-3-8 respectively, specifically for traffic which was consigned to Bombay harbour by sea. This clearly constituted a deliberate policy of diversion to Bhavnagar of cotton which had the alternative of direct shipment from Bombay, since such despatches deprived the Indian railways of freight which in the ordinary way would pass over their system, and further, in many cases, caused a definite loss in revenue to the Port of Bombay through overside shipment. This, however, was a matter in which so far as the Committee were aware no action could be taken unless as part of a comprehensive examination of the commercial activities of the Kathiawar States, as the result of revision of their Treaty rights on the lines suggested above.

HAWKER NUISANCE IN BOMBAY.

In August 1933 the attention of the Committee was drawn to press reports of complaints by the public and of the discussions that had taken place in the Bombay Municipal Corporation in regard to the excessive and increasing nuisance caused by hawkers in the Bombay streets to pedestrians and shopkeepers.

In addressing the Municipal Commissioner on the subject the Committee stated that they strongly endorsed the appeals

that had been made for the entire suppression of the nuisance as speedily as possible and they enquired what action had been or was proposed to be taken by the Bombay Municipality in this connection.

The Deputy Municipal Commissioner in replying to the Chamber's representation stated that, however desirable, the entire suppression of the nuisance was found to be not a practicable proposition. After some correspondence with the Commissioner of Police, certain proposals were laid before a Committee of the Corporation specially appointed to consider the question of controlling the hawkers and squatters in the City. On the Committee's recommendation the following proposals had, for the present, been approved by the Corporation :—

(*a*) That an attempt should be made to localise as many hawkers as possible in particular areas and these areas should be selected by the Commissioner in consultation with the Commissioner of Police.

(*b*) That control over hawkers within these areas should vest primarily with the Municipality, assistance of the Police being invoked only when necessary.

(*c*) That outside these reserved areas the only hawkers to be licensed should be those carrying vegetables and other food-stuffs from door to door or articles like gram, sweetmeats, etc., for the consumption of the poor and the working classes.

(*d*) That control of these and other hawkers outside the reserved areas should be handed to the Police, and lastly,

(*e*) That arrangements should be made for clearing unlicensed hawkers from areas like Buleshwar and Null Bazar by employing at the expense of the Municipality a special force of Police who would be stationed in these areas and would be charged solely with the duty of keeping them clear of hawkers.

The Deputy Municipal Commissioner added that the proposals (*a*), (*b*), (*c*), and (*d*) were being put into force.

Proposal (*e*) would be given effect to as soon as the necessary funds were arranged for.

The Committee were also furnished by the Chamber's representative on the Corporation with a copy of the report of the Committee which was appointed to deal with this matter and in replying to the Deputy Municipal Commissioner they unreservedly associated themselves with the views expressed by the Commissioner of Police in the correspondence which was attached thereto. The Committee added that they did not regard the Corporation's proposals as likely to be an effective cure for the evil and they sincerely trusted that the Municipal Executive would not rest content with their half-hearted programme of localisation.

DISINFECTION OF IMPORTED SECOND HAND CLOTHING.

In August 1933 the Government of Bombay asked for the views of the Chamber in regard to certain measures which the Bombay Municipality proposed to take to ensure the disinfection of second-hand clothing, blankets, etc., imported into Bombay from overseas.

After consulting the Import Sub-Committee the Committee informed Government that they had no remarks to offer on the subject.

TRADE DISPUTES ACT.

(*See Reports* 1921, *Vol. I, page* 67 ; 1924, *Vol. I, page* 97 ; 1925, *Vol. I, page* 101 ; 1926, *Vol. I, page* 65 ; 1928, *Vol. I, page* 104 ; 1929, *Vol. I, page* 90.)

In June 1933 the Labour Commissioner asked for the views of the Chamber in regard to (1) the desirability of converting the Trade Disputes Act to a permanent measure and (2) any amendments that should be made in the Act.

The question was referred to the Labour Sub-Committee whose report was adopted by the General Committee. The following is a summary of the recommendations submitted to the Labour Commissioner :—

(1) That the Act as it stands is practically a dead letter as far as section 3-14 are concerned, and, if it is considered worth while to make it permanent, it must be worth while to make it useful and operative.

(2) If the Act be amended with the intention of making it more useful and operative, it should be extended for a further limited period only, in order that practical experience might be gained of its utility.

(3) There should be closer and more personal touch between Government and Industry, through the Department of Industry and Labour, with the object of evolving a small body of useful conciliators.

(4) Less cumbrous local "ad hoc" Boards of Conciliation might be formed, as an alternative to individual conciliators, and their efforts should be directed towards conciliation only, leaving the Court of Enquiry as a final weapon to marshall public opinion.

(5) A clause should be included in the Act on the lines of section 2 (1) of the British Industrial Courts Act, whereby one party to a dispute can draw the attention of Government to the matter without necessarily obtaining the consent of the other party.

(6) Improved measures should be adopted to ensure the proper representation of employees.

(7) Picketing should be made illegal.

(8) Tramways should, for the purposes of the Act, be considered as public utility services.

PAYMENT OF WAGES BILL.

(*See Report* 1926, *Vol. I, pages* 66 *and* 69.)

A Bill was introduced in the Legislative Assembly on the 1st February 1933, which had for its object the regulation of the payment of wages to certain classes of persons employed in industry. In the statement of objects and reasons attached to the Bill it was mentioned that in 1926, the Government of

India addressed Local Governments with a view to ascertain the position with regard to the delays which occurred in the payment of wages to persons employed in industry and the practice of imposing fines on them. The investigations revealed the existence of abuses in both directions and the material collected was placed before the Royal Commission on Labour which was appointed in 1929. The Commission collected further evidence on the subject. The Government of India re-examined the subject in the light of the Commission's Report and the Bill embodied the conclusions reached.

Copies of the Bill were forwarded to the Chamber by the Director of Information and Labour Intelligence and by the Secretary of the European Group in the Central Legislature who asked for the views of the Chamber on the provisions of the Bill.

The Committee considered the Bill in consultation with the Labour Sub-Committee of the Chamber and in replying to the Director and to the European Group submitted the following comments :—

Clause 1 (4).—The Committee considered that it was essential that a definition should be given of the term " industrial establishment ".

Clause 3 (1).—The Committee considered that in computing the limit of seven days within which payment should be made, non-working days should be excluded.

Clause 3 (2).—The Committee agreed that provision should be made in this clause for a longer period than two days, say up to a limit of that laid down in clause 3 (1) to be allowed in exceptional cases.

Clause 4 (2) (*b*).—It would appear that there was no provision for forfeiture of wages in cases where a workman

left his employment without sufficient notice. This, it was considered, should be provided for.

Clause 4 (2) (*d*).—The Committee were of opinion that it should be permissible for deductions to be made, with the previous consent of the employee, for income-tax, provident fund, provisions, etc., sold, such as cloth, grain, sugar, etc. and refund of loans from Co-operative Credit Societies.

Clause 5 (2).—The Committee agreed that the maximum amount of fine should be one anna in the rupee instead of half an anna, and the recovery under clause 5 (4) in not more than four instalments instead of two.

Clause 6.—The Committee were of opinion that if the damage or loss was in excess of the employee's wage and had been done wilfully there was no other remedy available than dismissal, but if it was due to carelessness and not likely to recur and the employer was inclined to forgive the culprit but not forego the loss it might be made recoverable by instalments to the extent of 10 per cent. of the earned wages if the employee undertook to pay the amount.

Clause 10 (2).—The Committee considered that the Act should lay down that the persons appointed to act on behalf of an employee should be limited to a registered trade union, a lawyer or an officer appointed by mutual arrangement between the employee and the employer to prefer claims.

PERIODS OF WAGE PAYMENT.

The Royal Commission on Labour in India in dealing with the question of shorter periods of wage payment stated:—

"*Desirability of Weekly Payments.*

Our conclusion then is that the prevalence of a monthly period of payment is not in the best interests of the employees. We recommend the general adoption of a system of weekly payments in the

belief that it will have important effects on both welfare and efficiency. The advantages to be gained are, in our view, so obvious and definite that the State would be justified in intervening to enforce the general adoption of weekly payments if this could be secured without an unreasonable amount of dislocation to industry. At the same time we are alive to the advisability of proceeding gradually in matters of this kind. There has previously been no attempt in India to regulate the period of wage payment, and it is quite possible that even if the assent of employers is secured the opposition of the jobbers and others who are interested in perpetuating the present system may have serious results. While we would urge on employers everywhere the adoption of the system of weekly payments, we are not prepared to advocate their general enforcement by Government at the present time. It is better to take a preliminary step in that direction in the hope that the wise employers will themselves go much further than the law demands and the others may at a later date be convinced by the results secured.

Legislation for Shorter Period.

Our proposal is that in the textile industries, railway and engineering workshops and iron and steel works the law should require payment of wages to the process operatives at intervals not exceeding 16 days. This will enable textile employers to pay wages either twice a month, or fortnightly, or weekly or by other short periods. It will also render possible the continuation of the system at present prevailing in Ahmedabad where wages are paid on a *hapta*, which is a period varying from 14 to 16 days according to the convenience of each particular mill. The law should also confer on the appropriate authority the power to extend a similar provision to other industries or classes of operatives, either generally or in particular centres. We suggest that the first case examined in this connection should be that of railway workers outside the workshops. There are difficulties here in the matter of payment which do not arise in other industries, but in the case of certain important classes of workers the period of wage payment might advantageously be reduced. It is, however, of the utmost importance to ensure that if any reduction is made, no worker forfeits any privilege or concession which is attached to payment on a monthly basis. Diwan Chaman Lall considers that the payment of wages weekly should be made statutory."

The Director of Information and Labour Intelligence, Bombay, in May 1933, forwarded to the Chamber a copy of a letter that had been addressed by the Government of India to All Local Governments and Administrations asking for views of the latter on this subject. The Government of India pointed out that the Commission's proposal was coupled in their report with proposals for preventing undue delay in the payment of wages. The latter had been embodied in the Payment of Wages Bill but the Government of India felt that on these more novel and, in their view, more debatable proposals it was necessary to consult public opinion before forming a conclusion.

The Commission themselves recognized that their proposals were not likely to make any strong general appeal to those directly affected by them. Further, while they were satisfied that an advance in the direction indicated would have important effects in reducing indebtedness and inefficiency, their recommendations for legislation were obviously experimental in character. They were designed, in fact, to pave the way for larger changes, the ultimate ideal in view being the general adoption of a weekly system of payments. One question which therefore arose was whether it would not be better that experiments should be made on a provincial rather than an all-India scale. The variations already prevailing throughout India, even in the same industry, showed that the lack of uniformity in this matter had not been felt as a handicap by industrialists, and objection could hardly be taken on this score to provincial legislation. The Government of India requested therefore that in addition to advising whether any all-India legislation was desirable the local Government would consider whether there were grounds for the introduction of a provincial measure.

The Committee in replying to the Director of Information and Labour Intelligence stated that the Labour Sub-Committee of the Chamber in commenting on this recommendation in 1932 mentioned that the local industry was prepared to adopt a system of fortnightly or weekly payment and several attempts to introduce such a system had been made without success as workers themselves did not appear to desire a change which would involve a disturbance of the Indian economic system of monthly accounting periods.

The Committee added that they had again considered the question in consultation with the Labour Sub-Committee and they endorsed the above comment.

WORKMEN'S COMPENSATION (AMENDMENT) BILL.

(*See Reports*, 1922, *Vol. I*, *page* 102; 1923, *Vol. I*, *page* 67; 1924, *Vol. I*, *page* 127; 1925, *Vol. I*, *page* 106; 1926, *Vol. I*, *page* 253; 1928, *Vol. I*, *page* 110; 1929, *Vol. I*, *page* 86; 1932, *page* 250.)

The Select Committee to whom the Workmen's Compensation (Amendment) Bill was referred by the Legislative Assembly submitted their report on the 10th February 1933. The Committee of the Chamber considered the report in consultation with the Labour Sub-Committee and submitted the following comments thereon to the representative of the Associated Chambers in the Legislative Assembly.

Broadly speaking, the Committee considered that the recommendations of the Select Committee were an improvement on the original draft Bill. They noted that the slight reductions affecting the rates of compensation payable in the case of adults, related to the first two and the last two of the

wage classes of Schedule IV. The proposed lump sum payment of Rs. 1,200 in the case of permanent total disablement of minors irrespective of the wages earned, would, the Committee felt, operate adversely in the case of workmen (minors) drawing more than Rs. 15 per mensem, considering the fact that the original rule was for 84 months' wages or Rs. 3,500 whichever was less. The new Schedule IV included in the Bill provided for compensation in the case of adults on a sliding scale basis ranging from Rs. 700 to Rs. 5,600 and the limit of Rs. 1,200 now proposed for minors would seem to frustrate the main idea underlying the original Act, which was to pay greater compensation for the life disablement of a minor than for an adult.

By Section 2 of the Bill the definition of the term "dependent" was divided into two categories. The first included widowed mother, wife, etc., in whose case compensation would be payable without calling for any proofs of dependence. The second category included dependants of a more remote degree, such as a husband, father, etc., in whose case proofs of dependence would be necessary before compensation could be paid to them. It was not clear, however, what would be accepted as a proof of dependence, whether a mere written statement put in by the party would suffice or whether a magistrate's or a J.P.'s certificate would be necessary.

The Bill excluded from the benefits of the Act clerks employed within the precincts of a manufactory even though exposed to the same risk as the manual workers. The original Act appeared to have been more considerate in this respect.

In May 1933, the Committee were favoured with a copy of a letter addressed by the Calcutta Accident Insurance

Association to the Bengal Chamber of Commerce and others with particular reference to—

(1) the incorporation in the Workmen's Compensation (Amendment) Bill by the Select Committee of a provision whereby, in certain cases, payment of compensation will be contingent on proof of dependence; and

(2) the provisions (renumbered sections 17 and 18) whereby an employer preferring an appeal to the High Court is required to pay a sum, which at its maximum is Rs. 100 for the benefit of the dependants, a sum which the Bill states will not be recoverable by the employer whatever happens to the appeal.

After considering the matter in consultation with the Labour Sub-Committee of the Chamber the Committee informed the Secretary of the European Group in the Central Legislature that they were opposed to both of the amendments in question.

In regard to (1) *Proof of dependence*, the Committee felt that the danger envisaged by the Select Committee of compensation going to persons who had no equitable claim was far less to be apprehended than the volume of litigation in which claimants would be involved by the amendment, and which they could ill afford.

In replying on 30th March 1929 to the Director, Labour Office, Bombay, on a reference from the General Department in regard to the proposed amendment of the Act, this Chamber expressed the view that "proof of dependence should be produced to substantiate every claim for compensation." The Committee now felt, however, that sufficient safeguard was provided by the enquiries which the Commissioner, in the normal course of events, made before disbursing compensation.

In regard to (2) *Distribution of Rs.* 100 *or* 10 *per cent. of the sum payable amongst dependants where the employer appeals*

to the High Court, the Committee had stated that the main argument against the clause was its departure from ordinary Civil Procedure which in itself was undesirable, and on this ground they were opposed to it.

WORKMEN'S COMPENSATION ACT, 1923.

Appearance before Commissioner.

In February 1933, the Bombay Accident Insurance Association forwarded to the Chamber a copy of a letter that had been addressed to the Bengal Chamber by the Calcutta Accident Insurance Association suggesting that steps might be taken to amend section 24 of the Workmen's Compensation Act with a view to preventing unqualified persons appearing under the Section in the Court of the Commissioner for Workmen's Compensation. Section 24 read as follows :—

> Any appearance, application or act required to be made or done by any person before or to a Commissioner (other than an appearance of a party which is required for the purpose of his examination as a witness) may be made or done on behalf of such person by a legal practitioner or other person authorised in writing by such person.

The amendment it was proposed to make was to insert the words " with the permission of the Commissioner any " after the words " legal practitioner or " in the above section.

This Chamber was asked to support the amendment.

After consulting the Labour Sub-Committee the Committee informed the representative of the Associated Chambers of Commerce of India in the Legislative Assembly that they considered that the proposed amendment was a very desirable one and should be supported.

ARREST AND IMPRISONMENT FOR DEBT.

In April 1933 the Director of Information and Labour Intelligence, Bombay, asked for the views of the Chamber on a question raised by the Government of India, namely whether arrest and imprisonment for debt, where no contumacy was proved, should be abolished either generally or for particular classes of persons.

In reply the Committee stated that they were in favour of the total abolition, except in cases of proved fraud, of the penalty of imprisonment for debt, which they considered out of date and which, they understood, had been repealed in all civilised countries for many years.

The Committee pointed out that presumably a money-lender lent on some security and did not rely solely, or to any great extent, on the fact that he could hold the threat of imprisonment over debtors. If, however, the latter was his sole safeguard, the Committee considered it would be to the ultimate good of the country if it was withdrawn. Loans then would be granted on some form of security only, or on the character of the debtor, and would really be made on a business footing. If loans were given indiscriminately, debts were also incurred in the same manner, and if a man required a loan for a petty transaction, and could advance no security, his inability to secure the loan would do him no harm.

The Committee stated that the only forceful argument that had been advanced in favour of retaining imprisonment for non-payment of debt was that the honest debtor who was really unable to pay could easily escape imprisonment through insolvency. This argument could hardly apply in the case of poor ignorant classes who had no idea how to go about it,

and who were afraid of making use of a procedure of which they knew nothing. They preferred to take the easier course of getting out of their present difficulties by renewing the bond on extortionate terms, trusting to the future, or by surrendering property which did not belong to them or which the law had exempted. The Committee felt that there could be no justification for penalty in the case of such persons.

The Committee added that as regards the better class of debtors, the insolvency argument might have some weight, but experience had shown that it was not only the honest debtor, but the dishonest debtor as well, who escaped through insolvency. If such was the case, there could be no advantage in retaining this penalty for enforcing the payment of judgment debts. If anything, it encouraged greater dishonesty by inducing intending dishonest debtors to begin by putting their property away from their creditor's reach long in advance, so that they could, if and when forced by threatened imprisonment, take the course of insolvency without harm.

EXEMPTION OF SALARY AND WAGES FROM ATTACHMENT.

In December 1932 the Director of Information and Labour Intelligence, Bombay, forwarded to the Chamber a copy of a letter that had been addressed by the Government of India to all Local Governments and Administrations in connection with the recommendations of the Royal Commission on Labour regarding the exemption of salary and wages from attachment.

The following is the relevant extract from the Report of the Royal Commission :—

" Our first recommendation in this connection refers to the recovery of debts through employers. Under the Civil Procedure Code, it is possible for a money-lender to secure the attachment of the wages of

anyone who is not a labourer or a domestic servant, and we understand that the majority of workers in organised industry would not be regarded as labourers within the meaning of the Act. But in respect of certain classes of employees, particularly railway servants and the servants of local authorities, the law allows the money-lender to use the employer as his debt-collector to a much greater extent. In such cases it is possible to attach half of an employee's salary or the amount by which that salary exceeds twenty rupees a month, whichever is less. In some cases private employers are required to make similar recoveries, although the legality of this is doubtful. Thus, in the case of an employee in receipt of a regular salary, the money-lender can secure an order directing the railway administration, to hand over, month by month a large part of the employee's salary until the whole decree has been covered, a period which extends in some cases to years rather than months. The comparative security of railway service further increases the attraction of the railway servant for the money-lender and all the evidence goes to show that the level of indebtedness in terms of wages is higher among railway servants than among industrial employees as a whole. This is itself a striking confirmation of our main thesis that it is the credit of the worker which is his undoing. We recommend that the salary and wages of every workman receiving ess than Rs. 300 a month be exempted entirely from the possibility of attachment. If, on examination, there are found to be objections to applying this exemption to every one employed on a salary less than Rs. 300 a month, the definition of workman in the Workmen's Compensation Act might be suitable."

The Government of India asked for opinions on the following questions :—

(1) Is it desirable to extend the complete protection of wages from attachment to other classes than those at present included in clause (1) of the proviso to section 60 (1) of the Civil Procedure Code, and if so, how should these classes be defined ?

(2) Should the power to secure continuous attachment of the salaries of public officers or railway servants be curtailed, and if so, to what extent and in what manner ?

(3) What special provisions, if any, should apply to debts due to co-operative societies ?

(4) To what extent should any changes introduced apply to debts incurred before the changes were made ?

After consulting the Labour Sub-Committee the Committee submitted the following replies to the above questions :—

(1) It is desirable to extend complete protection of salaries and wages from attachment to all classes of employees earning up to Rs. 100 per month, and, in other cases where higher wages are earned, an amount up to Rs. 100 should be completely exempt from liability to attachment, and the balance to an amount of not less than 50 per cent.

(2) The power to secure continuous attachment should be abolished.

(3) As Co-operative Societies charge interest at a moderate rate for loans which they grant to be repaid by easy instalments, special protection may be continued to them.

(4) The new enactment should apply only to decrees obtained after it comes into effect. All decrees already obtained should follow the old rules except that attachments obtained prior to the date the new enactment comes in to force should not extend beyond a period of one year from that date. Government should appoint a competent authority to scrutinise the balance of old debts not recovered at the end of that year.

FEDERATION OF EMPLOYERS' ASSOCIATIONS.

(See Reports, 1920, *Vol. I, page* 202 ; 1925, *Vol. I, page* 303 ; 1930, *Vol. I, page* 241 ; 1932, *page* 265.)

The question of the formation of an All-India Federation of Employers' Associations has been before the Chamber on several occasions in recent years. In 1930 when the question was raised the Committee of the Chamber in replying to a reference on the subject by the Associated Chambers of Commerce of India and Ceylon stated that they saw no reason why the Associated Chambers should not be eilgible for membership and assist in forming the proposed Federation.

The Associated Chambers, however, subsequently informed the Chamber that owing to the absence of unanimity among members the President had decided to take no further action.

The President of the Associated Chambers raised the question again in November 1932 and in a circular to constituent Chambers stated that from a perusal of the past history of the question it would appear that the position was that while the general proposal had considerable support, the necessity of such a Federation had not been so strikingly proved as to lead the parties interested to drive the question home to a final conclusion. The President desired to ascertain the views of the Chambers once again on this matter and particularly in the light of the following facts :—

I. A new constitution for India was being hammered out, and it was evident that in this constitution Indian and European Commerce were likely to have separate representation in the legislatures; the interests of these two parties, especially on matters of tariffs, were likely to be divergent;

The interests of employers were, however, in very many cases identical, and the co-operation of European and Indian employers was likely to form a community of interests which might be of the utmost value to all. An Employers' Federation might indeed form an extremely valuable link to bind together interests which, in its absence, might find themselves opposed, not on grounds of merit but because of the antagonistic views and propaganda of other Federations and Associations and from want of contact and knowledge of each other's needs.

II. In the new constitution labour would have substantial representation in the legislatures. Parties were in future just as likely to divide on economic questions, such as Capital versus Labour, as on questions of pro-British and anti-British sympathy, and the road to political prominence by championing the cause of labour with more vehemence than sense was likely to be a favourite choice of extremist politicians. Congress attempts to use labour as a political weapon had already been frequent, while the further weapon of the no-rent campaign was fresh in everybody's minds.

A Federation, therefore, which combined European and Indian interests in opposition to socialistic or communistic measures could not but be useful.

III. It was improbable as the course of events at Geneva had shown, that European employers in India would be welcomed as delegates representing India at International Conferences; but if a properly constituted Employers' Federation existed it would be impossible for Government to ignore its recommendation and there was no reason why such recommendation should not be on a business rather than a political basis. There was every likelihood of the formation of the Federation being welcomed by Government from this aspect.

IV. It was possible in time that the Federation might obtain actual representation in the legislatures (*vide* the representation of Industry in the Punjab) which might be an added bulwark against socialistic ideas.

The President pointed out that the above were very weighty reasons for the establishment of an Employers' Federation. *Per contra* it had been argued that if European Industrial Associations and individual concerns joined such an Association, they might in time be swamped in numbers or alternatively might be used to support policies of which they did not approve. This, however, was a matter which could be regulated, without any difficulty, under the rules of procedure framed for the Federation. (In the Associated Chambers, for example, a resolution was a resolution of the Association, and was forwarded to Government as such, only if no constituent member had voted against its adoption). Proper terms of admission would also have to be laid down, and it would largely be in the hands of the founder associations to secure proper appreciation and realisation and of these points.

As regards the argument that interests of the Associations connected with the Associated Chambers would be outweighted, the President pointed out that the active participation of such interests in the formation should secure

their obtaining full influence in the initial stages, probably owing to their importance in such matters amounting to a predominant interest: and that if, when the Federation was in operation, Associations or interests did not approve of such and such a policy or such and such a representation to Government, they could insist on action being dropped or on their views being recognised and transmitted to Government: and if the powers of the Federation were misused there would always be the course of resignation. Were the Federation to agree upon a unanimous policy on only five out of ten questions coming before it, the gain would be very substantial. And if in course of time the industrial interests of the Associated Chambers of Commerce became less predominant owing to the rapid growth of Indian industry, there would then perhaps be all the greater need for such interests to be joined with Indian interests for their common protection.

The President considered therefore that objections of this nature could be overcome by a proper constitution of the Federation itself, which might embody principles of voting, operation and control somewhat similar to those in practice in the Associated Chambers itself and which might also provide for the headquarters of the Federation alternating between Bombay and Calcutta and elsewhere, as convenience and other considerations dictated.

The President suggested that should the views which he had expressed above commend themselves to the individual Chamber Committees, it would be advantageous if Chambers would ascertain also the opinions of any allied or recognised Associations or individual concerns of large size in their areas which might be willing to consider joining a meeting to discuss with the Millowners' Association the formation of such a Federation.

Finally the President suggested that the question might again form the subject of a resolution at the forthcoming meeting of the Associated Chambers of Commerce.

The Committee in reply stated that they were still in favour of the formation of an All-India Federation of Employers' Associations but before proceeding any further in the matter they preferred to await the return to Bombay of the President of the Bombay Millowners' Association in order that they might first have an opportunity of discussing it with him.

In the meantime the following resolution was moved by the Bengal Chamber and adopted at the annual meeting of the Associated Chambers of Commerce held at Calcutta on the 9th and 10th January 1933 :—

"This Association welcome the steps that have been taken to constitute a Federation of Employers' Associations in India, and desires to give the movement their cordial support."

In his speech at the above meeting the Hon'ble Member in charge of the Department of Industries and Labour accepted the resolution wholeheartedly on behalf of the Government of India and welcomed the endeavours to bring into being this comprehensive Federation of the different Employers' Associations, the absence of which had been felt by Government for many years past. The Federation was incorporated under the Indian Companies Act in March 1933. Under its Articles of Association the Federation has six officers, namely a President, three Vice-Presidents, an Auditor and a Secretary, the first President being Mr. H. P. Mody, M.L.A., with Sir E. C. Benthall and Mr. T. C. Crawford as Vice-Presidents whose number was increased to three by the later election of Mr. A. R. Dalal. At an extraordinary meeting of the Federation held in the office of the Millowners'

Association, Bombay, on the 28th April 1933 (1) the President was empowered to appoint a Secretary, (2) Messrs. A. F. Ferguson & Co. were appointed auditors, (3) the membership subscription was fixed at Rs. 20 per vote and (4) the office of the Federation was established at the address of the Bombay Millowners' Association, Bombay, where all correspondence in connection with the Federation's business is now conducted. Under item 3 of the Articles of Association of the Federation the following bodies represent the original membership, namely :—

(1) The Millowners' Association, Bombay.
(2) The Indian Engineering Association.
(3) The Indian Jute Mills Association.
(4) The Indian Metallurgical Association.
(5) The Indian Mining Association.
(6) The Indian Tea Association.
(7) The Employers Federation of Southern India.
(8) The Indian Sugar Producers Association.
(9) The Upper India Chamber of Commerce.

but since the incorporation of the Federation the following new members have been admitted :—

(1) The United Planters Association of Southern India.
(2) The Bengal Industries Association, Calcutta.
(3) The Central Provinces and Berar Mining Association (Kamptee).
(4) Burmah Shell Oil Storage and Distributing Co. of India, Ltd.
(5) The South India Millowners' Association, Coimbatore,

and further applications from other Employers' Associations for admission to membership are, it is understood, under consideration.

INTERNATIONAL LABOUR CONFERENCE.

SEVENTEENTH SESSION.

The Seventeenth Session of the International Labour Conference was held at Geneva in June 1933. The subjects on the agenda of the Conference were :—

(1) Unemployment insurance and the various forms of relief for the unemployed.

(2) Methods of providing rest and alternation of shifts in automatic sheet-glass works.

(3) Abolition of fee charging employment agencies ; and

(4) Invalidity, old age and widows' and orphans' insurance.

In pursuance of Article 389 of the Treaty of Versailles, the Government of India nominated the following gentlemen to represent the Government of India, the employers and the workers respectively at the session.

Government Delegates.

Sir Atul Chatterjée, G.C.I.E., K.C.S.I., Member, Council of India, London.

Mr. J. F. Gennings, Barrister-at-Law, Director of Information and Labour Intelligence, Labour Office, Bombay, (on leave).

Advisers to the Government Delegates.

Mr. A. Dibdin, India Office, London.

Mr. K. R. Menon, I.C.S., Secretary to the High Commissioner for India, London.

Employers' Delegate.

The Hon'ble Sir Phiroze C. Sethna, KT., O.B.E., Member, Council of State, India.

Workers' Delegate.

Mr. Aftab Ali, General Secretary, Indian Seamen's Union, Calcutta.

Mr. Menon also acted as Secretary to the delegation.

EIGHTEENTH SESSION OF THE INTERNATIONAL LABOUR CONFERENCE.

In accordance with the press communiqué issued by the Department of Industries and Labour of the Government of India on the 26th September 1933, the Eighteenth Session of the International Labour Conference will be held at Geneva during June 1934 when the following subjects will be on the Agenda :—

I. Partial revision of the 1925 Convention concerning workmen's compensation for occupational diseases, with a view to the inclusion in this Convention of a further list of diseases (including silicosis) for which compensation is payable.

II. Employment of women on underground work in mines of all kinds.

III. Reduction of hours of work.

IV. Unemployment insurance and the various forms of relief for the unemployed.

V. Methods of providing rest and alternation of shifts in automatic sheet-glass works.

The first two subjects will come up for first discussion, the others were discussed at the Seventeenth Session, held in June 1933 and will be for final consideration.

In addressing the Government of India in the matter in November 1933 the Committee stated that they were strongly of the opinion that in view of the existing financial stringency the Government of India should not send delegates to the Conference this year. The Committee felt that the Government of India might well be asked whether the cost of sending a delegation to such a Conference was compatible with the claim that Government had carried retrenchment to the extreme limit consistent with efficiency.

The Committee informed the Government of India in January 1934 that if it had been decided to send delegates

to the Eighteenth Session of the International Labour Conference, they desired to support the nomination of Rai Bahadur P. Mukerjee, M.L.C., as the Employers' delegate.

EXPORT OF FRUIT TO EUROPE.

The Chamber was invited by the Government of Bombay to nominate a representative to attend a conference held on 28th July 1933 of representatives of shipping companies, railway authorities and others interested in the question of the export of fruit overseas to Europe.

The Committee nominated Mr. F. W. Brett of Messrs. Mant and Critchley for the purpose.

The following is a list of the subjects discussed :—

1. What facilities could be made available at the Port of Bombay for assembling fruit for export purposes and their storage ?

2. What policy should be adopted in fixing charges relating to customs manifest forms, shipping and forwarding agencies, Port Trust fees, etc., on Indian fruit ?

3. What measures should be adopted to get suitable cold storage space on steamers at a reasonable charge ?

4. How railways and coastal steamship companies can help in providing rapid transport facilities in bringing fruit to the assembly point at economical rates ?

5. What kind of control should be exercised in order to regulate the quality and quantity of the fruit for export ?

6. Is it necessary to appoint an enquiry officer in order to work out the details of export of fruit ?

From a press communiqué issued by the Director of Information on the 4th August 1933 it appeared that the conclusion reached was that at the moment, while the export trade in fruit was still in an embryonic stage, it was not

possible to make elaborate transport arrangements for it but that as the fruit available increased in volume, the necessary arrangements and modifications of existing practice should be attempted step by step. The first desideratum was a strong combination of Bombay exporters, able and willing to control the quantity and quality of their own exports.

FUMIGATION OF IMPORTED AMERICAN COTTON.

(*See Reports* 1923, *Vol. I, page* 218 ; 1925, *Vol. I, page* 279 ; 1926, *Vol. I, page* 287 ; 1931, *Vol. I, page* 274 ; 1932, *page* 235.)

In July 1933 a member asked the Committee to press for the abolition of the fumigation of imported American cotton, if a case could be made out, as they felt that the boll weevil menace which was so devastating some years ago was no longer a serious matter, and consequently the charge which had cost the consumers of American cotton so much for fumigation during recent years might perhaps easily be saved in the future. After consulting members interested and the Chamber's representative on the Indian Central Cotton Committee, the Committee informed the member concerned that they did not propose to take any action in the matter.

TRADE CLASSIFICATION OF INDIAN COTTON.

(*See Report* 1930, *Vol. I, page* 216.)

In December 1932 the Director-General of Commercial Intelligence and Statistics pointed out that the classification of cotton as at present shown in the all-India cotton forecasts

issued by his Department, differed to some extent from that followed by the cotton trade, for instance by the Chamber and the East India Cotton Association. The Director-General stated that the need for evolving one uniform classification which would be accepted to all had been felt for some time and the question of revising the existing classification on some such basis had therefore been engaging the attention of his Department. He asked for the views of the Chamber on the question to enable his Department to formulate definite proposals which should subsequently form the basis of further discussion by all the interests concerned.

The Committee referred the matter for consideration and report to a special Sub-Committee consisting of Messrs. W. G. McKee, M. S. Durutti and J. Vonesch.

In the meantime the East India Cotton Association invited the Chamber to nominate two members to serve on a Committee of representatives of the various interests in the cotton trade to evolve a scheme of uniform trade classification of Indian cotton which would be acceptable to the cotton trade in general.

The Committee nominated Messrs. W. G. McKee and M. S. Durutti as the Chamber's representatives.

The recommendations of the above Committee were accepted by the East India Cotton Association and forwarded to the Director-General of Commercial Intelligence and Statistics in connection with the preparation of the all-India Cotton Crop Forecasts with a request that the Government of India might be asked to make it applicable to the whole of India including Native States. The papers were placed at the disposal of members interested.

UNIVERSAL STANDARDS FOR INDIAN COTTON.

(*See Report* 1932, *page* 230).

The Indian Central Cotton Committee informed the Chamber in April 1933 that the following resolution was passed by the Committee at their meeting held on the 2nd February 1933 :—

" That steps be taken to introduce universal standards for Indian cottons for use in India itself and the Local Sub-Committee be instructed to prepare a scheme for the purpose in conjunction with the various trade associations."

PROPOSED STANDARDIZATION OF WEIGHTS FOR COTTON TRANSACTIONS THROUGHOUT INDIA.

In August 1933 the Government of Bombay asked for an expression of opinion by the Chamber on the following points:—

(*i*) whether the time was ripe for the adoption of measures towards the unification of weights in all cotton transactions throughout India, and, if the adoption of steps of the nature indicated was premature or not feasible.

(*ii*) whether any suitable measures could be devised by which the standardisation of weights for all cotton transactions in the Presidency of Bombay could be effectively secured.

The question had been raised by the Indian Central Cotton Committee who had pointed out that the lack of uniformity of weights for cotton transactions in the various markets of India, not only between the different provinces but also in the same province and State and sometimes even in one and the same district of a province, could not but have a hampering effect on the trade and was particularly detrimental to the interests of the grower. In considering the question the Indian Central Cotton Committee had before it the recommendations of the Indian Cotton Committee, 1917-19, who

recommended that in the legislation it had proposed in regard to the establishment of cotton markets in provinces other than the Central Provinces and Berar, power should be taken to prescribe standard weights to be used in such markets. The Indian Cotton Committee had further stated that it was so impressed with the disadvantages of the existing system, both to the trade and the cultivator, that it considered that, if there were difficulties in prescribing uniform standard weights for the whole of India, an attempt should, at any rate, be made to secure uniformity within each province.

The Committee carefully considered the question in consultation with a special Sub-Committee consisting of Messrs. H. B. Moore, W. G. McKee, A. H. Rhodes, A. Sarantides and J. Vonesch, and in dealing seriatim with the specific questions on which the views of the Chamber were required they expressed the opinion that the time was opportune for the adoption of measures for the unification of weights in all cotton transactions throughout India. The Committee felt that it was not only feasible but essential that these measures should be brought into force at the earliest possible date and were unable to appreciate why steps were not taken by Government before this to act on the recommendations made by the Indian Cotton Committee over fourteen years ago.

In regard to the question of devising suitable measures by which the standardisation of weights for all cotton transactions in the Presidency of Bombay could be effectively secured the Committee entirely agreed with the recommendation of the Indian Cotton Committee as contained in paragraph 213 of their report. They also strongly supported the recommendation of that Committee in paragraph 212 in regard to the universal adoption of a standard maund or quarter of 28 pounds, as this corresponded to the avoirdupois scale and

bore a relation to the Khandi in use in the majority of the cotton-growing districts and in the Bombay Cotton Market.

The Committee added that it would be a great convenience to all concerned if the Railways could be induced to adopt the same basis for their freight transactions.

INDIAN (SUNN OR SANN) HEMP.

The Secretary of the Imperial Council of Agricultural Research in May 1933 forwarded to the Chamber for comment a copy of a letter that had been addressed to the Hemp Balers' Association, Bombay, intimating that at a meeting between a Sub-Committee of the Fibres Advisory Committee of the Imperial Institute, London, and representatives of the London Hemp Association agreement was reached on the following proposals :—

(*a*) That the Bombay Hemp Balers' Association be asked to make up a set of ten standard bales which would be representative of the following grades of Sann Hemp :—

Philibit (including Chandausi) ..	Fine & No. 1.
Itarsi	Fine & No. 1.
Seoni	Fine & No. 1.
Jubbulpore	Fine & No. 1.
Dewghuddy (Deogarh, Ratnagiri Dist.)	Fine & No. 1.

(*b*) These bales to represent fair average quality of all seasons and not merely of any particular season.

(*c*) One-half of each bale to be retained in Bombay and the other half to be forwarded to the London Hemp Association.

(*d*) If the London Hemp Association accepted the half bales as representing their opinion also of the f.a.q., of each grade, then the standards to be adopted on both sides, and balers to attempt to grade and bale as close as possible to these standards.

It was mentioned that during some seasons either "Fines" or "No. 1's" might be scarce, but the object was

to provide standards which would apply to all seasons. "Extra Fines" did not seem to be required at the outset as they were outside the ordinary run.

The Indian Trade Commissioner who had addressed the Imperial Council of Agricultural Research in the matter pointed out that the grading of Indian hemp had improved considerably during the past year and that in view of the fact that arbitrations had been less numerous during 1931 and 1932 than during previous years, the Indian shippers might consider that matters were best left as they were and that the provision of standard type bales was no longer necessary. He added that if this was their view the suggestion must of course be allowed to drop, but if the Indian shippers desired to proceed with it, then the London Hemp Association was quite ready to co-operate.

The Hemp Balers' Association were asked for its comments on these proposals and whether it would be prepared to supply the required type bales and to arrange for their replacement each year.

After consulting members interested the Committee suggested that the whole question might be left in abeyance until such time as the trade could be reorganised and agreement reached between all shippers as to the best way in which the required types could be prepared. The Committee added, however, that the proposal that a set of ten bales should be made up to serve as standards of quality of hemp for all seasons was not approved. It was felt that such a procedure would lead to endless arbitrations and trouble regarding quality.

Subsequently a conference was held of members interested in the hemp trade and as a result the Committee informed the

Secretary of the Imperial Council of Agricultural Research that the members were prepared to assist in the preparation of bales of hemp, representative of f.a.q., of each season's crop. They also agreed to meet the Agricultural Expert to the Council (Mr. B. C. Burt) when he visited Bombay towards the end of August for the purpose of discussing the question with him and also ascertaining the steps taken and proposed by the Imperial Council of Agricultural Research for improvement of quality of Indian grown hemp.

The proceedings of this meeting are printed in the Appendices for purposes of record.

EXPORT OF GROUNDNUT OIL IN BULK FROM INDIA TO THE UNITED KINGDOM.

(*See Report* 1932, *page* 237.)

A meeting of members of the Chamber and others interested in the groundnut oil trade was held in the rooms of the Chamber on Monday, 6th March 1933, when exporters, the railways, the shipping companies and the Port Trust were represented. The President of the Chamber who was in the chair in summing up the discussion said that it seemed to him that the trade showed considerable possibilities of expansion but at present they appeared to be moving rather in a vicious circle and of all the parties interested none wished to take the first step. He thought that the initiative should come from the shippers. If they could guarantee a regular output of oil for export of sufficient volume he felt confident all parties would co-operate and share the responsibility for incurring the capital expenditure necessary. The President added that if any fresh facts or possibilities emerged which rendered another meeting desirable the Chamber would be pleased to call one.

A full report of the meeting is, for purposes of record, printed in the Appendices.

BRAZIERS.

In November 1933 an enquiry was received from a member as to whether "Braziers" meant "Yellow Metal Braziers."

After consulting the Import Sub-Committee the Committee informed the member that in their opinion the term "braziers" did not refer to any particular metal and that in this market copper and yellow metal braziers were commonly imported.

VARIATION IN WEIGHT OF WOOLLEN PIECEGOODS.

In September 1933 an enquiry was received from an importing house as to whether the Chamber recognised any variations in regard to weight, colour, etc., in the case of woollen piecegoods.

After consulting the Import Sub-Committee the Committee in reply stated that it was customary for manufacturers to demand latitude in execution in low quality woollens, and a clause to this effect was usually inserted in indents. The customary latitude varied with different styles and the question whether such latitude had been exceeded or not was a matter that should be settled by arbitration. The Committee added that it was not possible for any rule to be laid down in this respect.

VARIATIONS IN WEIGHT OF WORSTED AND WOOLLEN YARNS DUE TO CLIMATIC CHANGES.

In August 1933 an enquiry was received by the Chamber as to whether the Chamber recognised any allowance for variations in weight of worsted and woollen yarns due to

climatic conditions. The enquirer desired in particular to know (1) whether an importer was entitled to claim for the shortage in weight of a consignment of wool tops received from Bradford, and (2) whether he would be liable for shortage in weight in a consignment of yarn despatched from Bombay to a station in the Punjab.

After consulting the Import Sub-Committee the Committee informed the enquirer that in regard to the first point they presumed that he had bought the wool tops "F.O.B. English Port" on the basis customary in the trade, *viz.*, on Bradford Conditioning House certified weights. If such was the case it would appear that the loss in weight of the goods as found on arrival in Bombay, was his (the importer's) risk.

In regard to the second point the Committee stated that it was a well-known fact that wool showed considerable variation in weight under different climatic conditions, but added that this Chamber did not recognise any rule governing the percentage variation in weights of woollen yarn despatched from Bombay to other parts of India nor did the Committee think it possible for such variations to be specified. The Committee were of opinion that special provision should be made in contracts to cover this particular point.

"FIRST HALF SHIPMENT."

Meaning of Term.

The Committee were asked in February 1933 to give a ruling regarding the definition of "first half shipment."

After referring the matter to the Shipping and Export Sub-Committee the Committee informed the enquirers that the custom in Bombay was to regard first half shipment of cargo in any month to mean 1st to the 15th, whether the month contained 28, 29, 30 or 31 days.

NOTICE OF READINESS OF A TANK STEAMER TO DISCHARGE.

A letter was received from a firm of Ship and Insurance brokers in London in June 1933 enquiring whether, in the case of a tank steamer discharging a cargo of oil at Bombay it was the custom of the port for the vessel to be able to hand in her official notice of readiness at any time, or whether it was the custom for such official notice of readiness only to be given during the stated office hours and, if so, what those official hours were and to whom such official notice should be given.

The Committee in reply stated that notice of readiness could be given any time during office hours subject to any special conditions of the Charter Party. Office hours were generally recognised as being 10 a.m. to 5 p.m., on week days excepting Saturdays when these were 10 a.m. to 1 p.m. Notice of readiness should be handed in to Charterers or Charterers' agents unless otherwise provided for in the Charter Party.

The Committee pointed out that the Port rule was that a tanker must commence discharge immediately she came alongside any of the bulk oil berths, except in the case of a benzine tanker berthing on an evening tide when pumping might be commenced the following morning at 7 a.m. It was therefore the accepted rule to commence discharge in the case of oil tankers immediately the vessel was berthed.

If there was any difficulty in making the necessary storage space in the shore tanks to receive the cargo, this fact should be declared to the captain of the vessel on arrival or to the steamer's agents before arrival of the vessel, and on arrival the vessel would remain in stream until the necessary

storage space had been made in the shore tanks to receive the cargo. In such cases the captain would serve the necessary stipulated notice of readiness to discharge, counting his berthing time as the first available tide after arrival, from which time lay-days would commence to count, the steamer's inability to berth and commence discharge being a direct result of the Charterers or Charterers' agents not being able to provide the necessary accommodation for the cargo.

READINESS TO LOAD UNDER A CHARTER PARTY.

(*See Report* 1921, *Vol. I, page* 203.)

In November 1933 a member asked for a ruling of the Chamber on the following case :—

A clause in a Charter Party read :

"One weather working day (Sundays and Holidays excepted) according to the customs of the port of loading is to be allowed the said merchants for each 500 tons of cargo loaded or *pro rata* for loading the said steamer, *said days to be computed from 24 hours after the reecipt by the Charterers or their Agents of a written notice from the Master or Agents that the vessel is in sea-worthy condition and ready to load*....."

Arising out of the above the member asked :—

(1) When is a vessel considered ready to load in the Port of Bombay ?

(2) Are the Charterers within their rights in refusing to accept notice of readiness handed in by the Captain while the vessel is anchored in the stream ?

(3) When there is no specific clause in the Charter Party to the effect that lay-days may commence whether in berth or not, are the Charterers within their rights when they state that it is "the customary manner" of the Port of Bombay to load in a berth ?

After consulting the Shipping and Export Sub-Committee the Committee in reply stated that in their opinion, provided no other clause in the Charter Party beyond the one quoted above was applicable, the following were the replies to the three specific questions raised by the member :—

(1) A vessel is considered ready to load wherever she may be lying, either in the stream or at a berth.

(2) No.

(3) Yes.

In this connection the member was referred to the ruling given in 1921 reproduced on page 14 of the Chamber's Book of Decisions on Shipping and Mercantile Matters 1882-1932 (5th Edition). That ruling appeared to cover the present case.

DANGEROUS GOODS.

Responsibility for Damage.

In September 1933 an enquiry was received from a member, who was in the habit of importing dangerous goods, as to who was responsible for damage in the docks or harbour arising out of the hazardous nature of the goods when they were not taken up by the indentors on arrival of the steamer and were lying unclaimed in the docks.

After consulting the Import Sub-Committee the Committee informed the member that in a genuine *c.i.f.* contract the buyer was responsible for all charges at the port of arrival of the goods and in the circumstances must accept responsibility for damage arising in the harbour and/or docks out of the hazardous nature of the goods.

F. O. B.. CONTRACT.

Freight Rebate.

In July 1933 an enquiry was received from a member as to whether the supplier under an F.O.B. contract was entitled to retain any freight rebate paid to him by the shipping company.

After consulting the Import Sub-Committee the Committee in reply stated that there was no ruling by the Chamber on the subject and as far as they were aware there was no established custom of the trade in the matter. The Committee added that as the question was open to difference of opinion they were not prepared to express any views in connection therewith.

NOMINATION BY THE CHAMBER OF UMPIRES IN PRIVATE SURVEYS.

After consulting the Chamber's solicitors the Committee in July 1933 resolved that in any case in which the parties to a contract agree that any dispute or difference arising out of the contract shall be referred for determination to two Arbitrators, and in the event of disagreement between the Arbitrators, or upon default on their part in appointing an Umpire, to an Umpire nominated or appointed by the Bombay Chamber of Commerce, such nomination or appointment may be made by the Chamber upon written application to the Secretary by either of the parties and upon production of the contract evidencing such agreement.

BURSTING OF THE MONSOON.

The Meteorologist, Bombay, informed the Chamber that the date of the first burst of monsoon in Malabar might be taken as 11th-12th of May 1933 and that of its establishment there as 21st-22nd May. The monsoon might be considered to

have extended and been established at Bombay on 20th-21st June 1933.

NON-WEATHER WORKING DAYS IN THE HARBOUR.

The Committee for some time past have had under consideration the question of declarations on non and half weather working days in the Stream. These declarations are made by a special Sub-Committee consisting of the Deputy Conservator, Bombay Port Trust, the Harbour Master and a nominee of the Chamber. The Committee in December 1933 issued a ruling defining a non-weather working day as follows :—

A non-weather working day is a day on which the loading or unloading of cargo is impracticable owing to inclement weather of any kind.

The Committee requested the Sub-Committee to take this definition into consideration in future when declaring non and half weather working days in the Stream.

WEATHER WORKING DAYS.

The following days during the monsoon months of 1933 were declared by the Committee of the Chamber to be half or non-weather working days for steamers in the docks :—

Monday, 31st July ..	..	Non-weather working day.
Tuesday, 1st August	..	Non- ,, ,,
Wednesday, 2nd August	..	Non- ,, ,,
Friday, 4th August ..	..	Non- ,, ,,
Tuesday, 5th September	..	Half- ,, ,,
Monday, 11th September	..	Half- ,, ,,
Tuesday, 12th September	..	Half- ,, ,,

The Deputy Conservator, Bombay Port Trust, also declared the following days to be half or non-weather working days in the stream :—

Friday, 15th September .. Half-weather working day.

Saturday, 16th September .. Non- „ „

BI-WEEKLY WEATHER AND CROP REPORTS.

(*See Report* 1932, *page* 8.)

As was noted in the Chamber's Report for 1932 the Special Sub-Committee in their report on the Chamber's finances recommended that the Chamber should discontinue its contribution to Government for the cost of inserting the bi-weekly weather and crop telegrams in the Bombay Supplement to the Daily Weather Report. The Committee consequently informed Government to this effect and added that since the information contained in the telegrams might be of use to certain Government Departments they were prepared to continue the service provided no charge was made to the Chamber.

The Director-General of Observatories, subsequently informed the Chamber that the Government of Bombay had withdrawn their contribution of Rs. 1,000 towards the publication of bi-weekly crop reports and they thought that there would be no inconvenience to the Agricultural Department on account of discontinuance of the publication of the crop reports in the Bombay Daily Weather Report. In view of this it had been decided to abolish the publication of the bi-weekly crop reports in the Bombay Daily Weather Report in future.

INDIGO CROP FORECASTS.

(*See Report* 1931, *Vol. I, page* 327.)

The Director-General of Commercial Intelligence and Statistics on the 1st February 1933 issued a Press Note to the effect that as a result of the recommendations of the Royal Commission on Agriculture in India and after consulting the trade interests concerned, it had been decided with the approval of the Government of India to discontinue publication of the All-India indigo forecasts on the ground that the crop could hardly be regarded as one of the principal crops of India. Annual data relating to area and yield of indigo would, however, continue to be available and would be published in a supplementary table of the Department of Commercial Intelligence and Statistics Blue Book entitled "Estimates of Area and Yield of principal crops in India."

BRITISH STANDARD SPECIFICATIONS.

In December 1932 His Majesty's Trade Commissioner in Bombay informed the Chamber that the attention of the Department of Overseas Trade had been drawn to certain considerations affecting British standards in relation to the competitive power of British industry in overseas markets. It had been suggested that in relation to the requirements of export markets British standards for machinery prescribed an unduly high margin of safety for a given standard of performance, or an unduly low rating for a machine of a given design and construction, with the result that British machinery was often heavier and more expensive than competitive machinery produced in certain foreign countries. The Trade Commissioner cited certain examples to illustrate this point but at the same time mentioned that the high standard of quality of British machinery had created, in some overseas

markets, a definite goodwill which might have a commercial value outweighing the advantages that might be obtained from competition at lower levels of quality with other kinds of machinery. The Trade Commissioner asked for the opinion of the Chamber on the following points :—

(*a*) whether for the purposes of this market, existing British standard specifications appeared to involve an unnecessarily high standard of quality ;

(*b*) if so, how far this prejudiced British manufacturers and exporters in competition with their foreign trade rivals ;

(*c*) to what extent the standard of quality hitherto observed in British machinery had created goodwill which was of commercial value in this market ;

(*d*) whether the competitive power of British industry would be increased by the provision of alternative British standard specifications or additional grades in existing specifications, involving a lower standard of quality.

After consulting members of the Chamber interested in the question the Committee submitted the following views on the subject :—

1. The British standard specifications set an admittedly high standard of quality, but that they were not too high at any rate for important work in this country was proved by the fact that a large number of the official Indian Railway and other specifications were largely copied from them.

2. An alteration in the British standard specifications or the addition of lower grades of quality in those specifications would do a considerable amount of harm by reducing the buyers' confidence in anything bought to British standard specification and would moreover cause complications by the possibility of confusion between the different grades.

3. Further as most of the important buyers of machinery, etc., laid down the specification which must be worked to when asking for tenders, foreign competitors were prevented from having any advantage in this respect.

4. In cases where no specification was given by the buyer, the British maker was quite as much at liberty to offer a lower standard of quality as his foreign competitor, but to lower the official British specifications to include this standard would be, in the opinion of the Committee, a mistake. No doubt individual cases could be shown where British goods had been of too high a quality and thus had been uncompetitive in price but the makers had this in their own hands as unless the goods were ordered or offered as being to British standard specification there was nothing to prevent makers from supplying to alternative specifications.

5. Undoubtedly the fact that anything was offered to British standard specification did convey the impression that it was of high quality and it was of importance that this impression should be maintained.

In reply to the specific questions put by the Trade Commissioner, the Committee stated :—

(*a*) No.

(*b*) No prejudice was caused as the existing standard specifications did not debar manufacturers from making alternative specifications if they so desired (*vide* para 4).

(*c*) The goodwill created was very considerable and was of definite commercial value.

(*d*) No. The adoption of alternative standards would only lead to confusion and bring no good results (*vide* para. 2).

In amplification of the answers given above the Committee pointed out that usually British standard specifications applied to materials only. The construction of certain classes of machinery and plant in which strength and durability were of particular importance was frequently governed by special legislation, *e.g.*, Indian Boilers Act and Indian Electricity Act. The Committee noted that the Indian Boilers Act required a higher standard than applied in the United Kingdom.

INDIAN STORES DEPARTMENT.

Classified List of Stores.

(*See Report* 1930, *Vol. I, page* 243.)

The Chief Controller of Stores informed the Chamber in May 1933 that when it was suggested in 1930 that the publication of the classified list of stores obtained from abroad might be discontinued, the majority of the Associations addressed, from whom replies were received, agreed with the suggestion, but in view of the fact that a few were in favour of the continuance of the publication it was decided to defer the abolition of the list pending actual experience of the working of the new rules. The rules had been in force for over two years and the sales of the copies of the publication had gradually dwindled to 2 or 3 of each issue. It was proposed therefore to discontinue issuing the lists. The views of the Chamber were desired on the question.

The Committee in reply stated that they had no objection to the proposed discontinuance of the publication of the lists.

INDIAN STORES DEPARTMENT.

Payment of Bills for Imported Goods.

An enquiry was received in September 1933 from the Chief Controller of Stores, Indian Stores Department, as to what the existing recognised trade practice was in regard to payment of bills for goods imported on behalf of buyers, other than the Indian Stores Department, from Home firms who had their Agents in India, in order to enable him to arrive at a procedure suitable to his Department and to trade interests with regard to stores purchased under similar conditions by his Department.

In reply the Committee stated that in their opinion it would probably meet the case if the Home Principals were to issue an adequate power of attorney in either general or specific terms in favour of their Agents in India in the matter of the collection of payments due from the Indian Stores Department. This power of attorney could remain in force until notice of cancellation had been received and could remain deposited with the Indian Stores Department whilst in force.

The Committee added that the provision of a specific power of attorney to deal with similar circumstances to those contemplated by the Chief Controller was a usual procedure and should prove satisfactory to his department.

It appeared to the Committee, however, that the procedure laid down in the Rules for the supply of articles required to be purchased for the public service issued under Government of India, Department of Industries and Labour Resolution No. S. 217, dated 12th December 1929, should be adequate as far as the Indian Stores Department was concerned.

INDIAN STORES DEPARTMENT.

Rupee Tenders.

Representations were received by the Chamber in September 1933 in regard to the difficulties and inconvenience experienced by contractors to the Indian Stores Department owing to the fact that under certain contracts no guarantee was given as to the quantity which would be ordered, while on the other hand the contractor had to give a guarantee that certain quantities of stocks would be maintained in the country.

It was pointed out that the risks run by a contractor under these conditions were considerable especially when

such risks were coupled with the possibility of further losses due to fluctuations in exchange. The Committee felt, however, that though fluctuating exchanges might at times be a serious handicap to business the risk was one which an importer must bear and provide against.

On the other hand it seemed reasonable to the Committee that under a running contract or under a rate contract the Indian Stores Department, who must be in the best position to estimate the extent of the requirements of the various Government Departments which it served should agree to help the supplier to minimise the risk of miscalculation on his own account of the quantities required.

The Committee, therefore, addressed the Chief Controller of the Indian Stores Department in the matter and requested him to consider the possibility of modifying the present terms of contract of his Department to the extent of indicating definite quantities with a plus or minus tolerance which might be suitable both to the department and to the supplier. It had been suggested to the Committee that if it was considered desirable that both rate and running contracts as distinct forms of engagement should be retained, a tolerence, of say 25 per cent. might be introduced under the former and that under the latter be reduced from 25 per cent. to 10 per cent.

There were two further points that had been raised by members of the Chamber in the course of discussion of the above question, and the Committee brought these also to the notice of the Chief Controller.

(*a*) In connection with the right reserved by the Indian Stores Department of ignoring a rate contract and calling for fresh tenders in cases where its requirements exceeded Rs. 10,000 in value, the Committee were of opinion that the

Department should be bound by the rate contract even if its requirements did exceed Rs. 10,000 in value.

(*b*) The Committee were also of opinion that the Indian Stores Department should review the quantities required under both types of contract after three quarters of the contract period had elapsed, *i.e.*, that in the case of yearly contracts the position should be reviewed after 9 months and a definite outstanding balance of requirements should be notified by the Indian Stores Department to the suppliers.

The Committee requested the Chief Controller to give these various points his earnest consideration and expressed a hope that early steps would be taken to mitigate if not entirely remove the difficulties and inconveniences complained of.

STATE AID TO INDUSTRIES.

In March 1933 the Government of Bombay asked for the views of the Committee on a scheme for State aid to industries that had been drawn up by the Director of Industries. It was suggested that the Government of Bombay might undertake legislation in connection with State aid to industries and the scope of the Bill should be wider than merely financial assistance as was the case in most of the other provinces in this country. Under the Bill should come into being an Industries Board under the chairmanship of the Director of Industries, and the Board should be competent to recommend to Government assistance in the following directions :—

(1) Financial aid to industries.

(2) Financial aid to industrial schools started for special industries like tanning industry, gold thread industry, printing industry, cottage industries, institutions, etc. Technical schools teaching carpentry, smithy, mechanical engineering

and electrical engineering would not be entitled to grant or assistance under this Bill.

(3) Experimental and research work.

(4) Practical demonstration of new processes and new industries.

It was further suggested that the work in the above directions might be financed by a small cess levied on all industrial concerns in the Presidency of Bombay which were large enough to come under the Factories Act. The cess should be on the basis of a certain fixed sum of money per horse-power installed for the purpose of driving the machinery and equipment of the concern. The estimated total horse-power installed was 2,64,000. If at the commencement a charge of 8 annas per horse-power per year were made, the estimated annual income would be about Rs. 1,32,000. The smallest concern was estimated to have a 3 horse-power motor, which meant that it would pay Rs. 1-8-0 per year; while the largest concern would be a textile mill which would probably be called upon to pay about Rs. 900 per year. An average textile mill would pay about Rs. 500 per year. The cost of collecting would be practically negligible and it might be under about Rs. 2,000 a year being the salary of an accounts clerk in the office of the Director of Industries.

The net receipts would be earmarked and utilised for the above purposes and the grants should not lapse but should accumulate with the object of building up a fund for making it possible in due course to finance industries under the above Act on an increasingly large scale.

In replying to the Government of Bombay the Committee stated that they appreciated that in a country like India it was perhaps desirable to assist certain infant industries

and the development of "cottage industries" but they deprecated the setting up of a permanent organisation for the purpose of placing on Government the onus of development which ought to come from individual enterprise. They were of opinion, moreover, that the proposal to finance such an organisation by imposing yet another levy on existing industry —no doubt a small one as at present contemplated, but one that might grow—was clearly wrong in principle and likely to prove unfair in practice.

The Committee stated that they were not out of sympathy with a scheme which might perform a useful function in assisting minor industries in their early stages, but they regarded as objectionable the manner in which it was proposed to raise the requisite finance. They added that they considered it only reasonable that those industries which received assistance from the Department of Industries should make some contribution towards the cost of the Department, and in this connection they drew attention to the proposal on page 6 of the Review of Administration in the Bombay Presidency No. XV, Industries, that fees should be levied by the Department for giving advice.

GOVERNMENT COMPETITION WITH PRIVATE ENTERPRISE.

Puggries for the Punjab Police.

In June 1933 the Associated Chambers of Commerce of India enquired whether the Chamber was agreeable to representations being made to the Government of India in regard to the contract for the supply of puggries to the Punjab Police being given to an industrial concern of Government instead of, as hitherto, to a local textile concern. It also appeared that tenders were not on this occasion invited for the supply of these puggries.

The Committee in reply pointed out that in the past whenever the Government of India had been addressed in connection with complaints in regard to the unfair competition of Provincial Government Departments with private enterprise they had invariably suggested that the matter should be taken up first with the Provincial Government concerned. The Committee added that they were of opinion that in this particular case the Upper India Chamber should, in the first instance, raise the question with the Punjab Government and then if no satisfaction was obtained the Government of India might be approached through the Associated Chambers.

The Committee were subsequently informed that after receipt of replies from the various Chambers the President of the Associated Chambers had decided that the question raised by the Upper India Chamber could not be taken up by the Association and would require to be taken up by the Upper India Chamber with the Punjab Government direct.

RULES OF THE BOMBAY NATIVE SHARE AND STOCK BROKERS' ASSOCIATION.

(*See Reports*, 1923, *Vol. I*, *page* 55 ; 1925, *Vol. I*, *page* 297 ; 1926, *Vol. I*, *page* 75 ; 1927, *Vol. I*, *page* 108 ; 1930, *Vol. I*, *page* 224 ; 1932, *page* 295.)

Notifications were issued by the Finance Department of the Government of Bombay in February, March, May and June 1933, publishing certain amendments made by the Native Share and Stock Brokers' Association, Bombay, in the rules for the regulation and control of transactions in securities. Several of these amendments were criticised by the Committee of the Chamber. Copies of the rules commented on as well as the Committee's comments will be found in the Appendices.

VERNACULAR EXAMINATIONS.

(*See Reports* 1931, *Vol. I, page* 321 ; 1932, *page* 299.)

In June 1933 the Government of Bombay enquired whether the banks and commercial houses in Bombay agreed to the discontinuance of the existing bank test and colloquial test and to their replacement by the Lower and Higher Standard examinations.

The Committee replied that they had no objection to the proposal.

Intimation was received from the Government of Bombay in August 1933 to the effect that the latter had finally decided that the new standardised Lower and Higher Standard examinations in Hindustani should be adopted for employees of banks and commercial firms in this Presidency. The examinations would be called Lower Standard (Commercial) and Higher Standard (Commercial) and would be held in accordance with the rules, a copy of which was sent to the Chamber. No change would be made in the scale of fees payable by the candidates offering for these examinations.

It was added that the examinations according to the existing Bank test and Colloquial test would be continued till 30th June 1934 and thereafter abolished.

IMPERIAL EDUCATION.

(*See Report* 1929, *Vol. I, page* 229.)

The Federation of Chambers of Commerce of the British Empire informed the Chamber in September 1933 that the Federation had for many years given close attention to the subject of Imperial Education, in an endeavour to ensure that the coming generations should have a thorough knowledge

of the Empire, its history, geography and resources and might thus be adequately equipped to play their part in its future development.

With this object in view, a new text book "A Junior History of the British Empire Oversea" had been published under the auspices of the Federation. It was intended for young children of from eleven to fifteen years of age and therefore supplemented the previous book "The British Empire since 1783" published in 1929 for older children, referred to in the Chamber's Report for 1929.

The Federation asked the Chamber to bring the book before the local education authority with a view to its being adopted for use by schools in this area.

The Committee accordingly drew the attention of the Director of Public Instruction, Bombay Presidency, to the book, who intimated that he had asked the Inspector of European Schools to bring the book specially to the notice of the Heads of European Schools in the Bombay Presidency.

EXHIBITIONS AND FAIRS.

Papers in connection with the following Exhibitions and Fairs were received by the Chamber during the year under review and were placed at the disposal of members :—

International Fair, Lyons, 9th to 19th March 1933.

Swiss Industries Fair, Basle, 25th March to 4th April 1933.

Paris Trade Fair, May 1933.

14th Official and International Commercial Fair, Brussels, 5th to 9th April 1933.

All-India Industrial Fair, Simla, 1st to 15th July 1933.

Budapest Fair, 5th to 15th May 1933.

All-India Arts and Crafts Exhibition, Delhi, October and November 1933.

British Industries Fair, London, 19th February to 2nd March 1934.

All-India Swadeshi Industrial Exhibition, Ajmere, October 1933.

Jammu and Kashmir State Exhibition, Srinagar, 21st August to 3rd September 1933.

Indian Empire Exhibition, Lahore, December 1933 to January 1934.

The Agricultural and Industrial Exhibition, Srirangam, 21st December 1933 to 10th January 1934.

Levant Fair, Tel-Aviv, April 26th to May 26th, 1934.

LIST OF ACTS AFFECTING COMMERCE AND INDUSTRY PASSED BY THE INDIAN LEGISLATURE DURING THE YEAR 1933.

Central Legislature.

II. Children (Pledging of Labour).

IV. Cotton Textile Industry Protection (Amendment).

V. Wheat Import Duty (Extending).

VI. Salt Additional Import Duty (Extending).

VII. Indian Finance.

VIII. Indian Tariff (Ottawa Trade Agreement) Supplementary Amendment.

X. Auxiliary Force (Amendment).

XI. Indian Merchant Shipping (Amendment).

XII. Indian Income-tax (Amendment).

XIII. Safeguarding of Industries.

XIV. Indian Tariff (Amendment).

XV. Workmen's Compensation (Amendment).

XVIII. Indian Income-tax (Second Amendment).

XIX. Indian Railways (Amendment).

XX. Cotton Textile Industry Protection (Second Amendment).

XXI. Indian Arbitration (Amendment).

XXV. Indian Merchant Shipping (Second Amendment).

XXVI. Dangerous Drugs (Amendment).

XXVIII. Indian Tariff (Second Amendment).

Bombay Legislative Council.

I. Bombay Finance (Amendment)

II. Bombay (District) Tobacco.

XIII. City of Bombay Municipal (Amendment).

XIV. Tobacco Duty (Town of Bombay) Amendment.

XX. Presidency-towns Insolvency (Bombay Amendment).

BOMBAY CHAMBER OF COMMERCE.

Dr. *Income and Expenditure Account for the year ended 31st December 1933.* *Cr.*

EXPENDITURE. To—	Rs.	a.	p.	Rs.	a.	p.
Subscription to Weather and Crop Reports	51	8	0			
Membership Subscription to the Federation of Chambers of Commerce of the British Empire ..	28	10	0			
Membership Subscription to the Associated Chambers	640	0	0			
Share of Expenses of Central Legislature Secretarial office ..	2,547	0	0			
				3,267	2	0
Chamber Office—						
Salaries	64,733	0	0			
Rent	7,500	0	0			
Printing Miscellaneous Papers, Annual Report for 1932, etc. ..	7,230	2	0			
Advertisements	30	0	0			
Books and Periodicals	571	13	6			
Stationery	1,207	10	0			
General Charges	1,902	11	6			
Telephone Charges	421	0	0			
Fire Insurance Premium	14	1	0			
Contribution to the Provident Fund	2,981	5	2			
Law Charges	60	0	0			
Auditors' Fee	250	0	0			
Motor Car upkeep	1,974	13	0			
Port Trust Ground Rent	100	0	0			
Furniture Depreciation	1,024	13	0			
				90,001	5	2
Statistical Department—						
Salaries	21,147	0	0			
Statistical Typists' Salaries ..	4,337	0	0			
Cost of cyclostyling returns ..	3,322	10	8			

INCOME. By—	Rs.	a.	p.	Rs.	a.	p.
Subscriptions—						
Chamber Membership ..	....			65,349	0	0
Statistical Returns ..	38,635	7	0			
Special Statistical Returns.	4,631	8	0			
Statistical Miscellaneous Receipts	138	4	0			
				43,405	3	0
Measurement Fees	77,315	7	0			
Miscellaneous Receipts ..	542	0	0			
				77,857	7	0
Balance of Receipts over Expenditure on Arbitration Fees	....			580	0	0
Fees for issuing Certificates of Origin, etc.	....			1,576	0	0
Miscellaneous Receipts	....			556	15	0
Interest on Investments ..	....			7,937	3	0
Dividends	....			140	0	0
				1,97,401	12	0

Printing Returns	12,072 12 0			Balance being Excess of Expenditure over Income transferred to Chamber's Balance Sheet			894 8 11
Contribution to the Railway ..	1,448 14 0						
Books and Periodicals	116 0 0						
Stationery	187 0 9						
Petty charges	319 12 9						
Contribution to the Provident Fund	1,288 12 4						
		44,239	14 6				
Measurement Department—							
Salaries	52,411 0 0						
Printing charges	802 0 0						
Stationery	63 15 9						
Telephone rent	290 0 0						
Cost of repairs to Chowkies and Instruments	580 0 0						
Petty charges	179 13 0						
Contribution to the Provident Fund	2,474 6 3						
Pensions and Gratuities	360 0 0						
		57,161	3 0				
Travelling Expenses	....	554	0 0				
Interest on overdraft	....	709	11 3				
Passage	....	2,063	1 0				
Cost of Addresses to incoming and outgoing Governors	....	300	0 0				
Total Rs. ..	....	1,98,296	4 11	Total Rs.			1,98,296 4 11

Examined and found correct.

C. R. SHARP & Co.,
Chartered Accountants,
Auditors.

BOMBAY, 2*nd March* 1934.

W. G. LELY,
President.
J. F. MACDONELL,
Member of Committee.
R. J. F. SULIVAN,
Secretary.

BOMBAY CHAMBER OF COMMERCE.

Balance Sheet as at 31st December 1933.

LIABILITIES.	Rs. a. p.	Rs. a. p.
Sundry Creditors—		
Bank overdraft secured by deposit of Securities ..	....	54,834 9 8
Auditors' Fees for 1933 unpaid	....	250 0 0
Advance received against Special Statistics Subscription ..	....	48 0 0
Chamber of Commerce Accumulated Fund—		
Balance on 31st December 1932	1,28,900 14 7	
Less—Excess of Expenditure over Income for 1933	894 8 11	
		1,28,006 5 8

ASSETS.		Rs. a. p.	Rs. a. p.
Value of Office Furniture as per last Balance Sheet ..		5,454 2 6	
Less—Depreciation at 10 per cent. written off this year..		1,024 13 0	
			4,429 5 6
INVESTMENTS.			
	Value on 31st December 1933.	Cost Price.	
	Rs. a. p.	Rs. a. p.	
5 per cent. 1939-44 Loan for Rs. 85,300	89,458 6 0	82,314 8 0	
5 per cent. Government 1935 Bonds for Rs. 20,800	21,502 0 0	20,384 0 0	
5 per cent. Government Income Tax Free Loan, 1945-55, for Rs. 71,000.	80,540 10 0	71,000 0 0	
	1,91,501 0 0		
Less—Appreciation	17,802 8 0		
	1,73,698 8 0	1,73,698 8 0	1,73,698 8 0
Cost of 40 Shares of the Bombay Telephone Company, Limited		....	1,730 0 0
Interest accrued but not received on the above Investments up to 31st December 1933		....	2,609 2 4
Deposit with the Government of India, Central Publication Branch, Delhi		....	100 0 0

			Cash in hand	....	571 15 6
Total Rs. ..	....	1,83,138 15 4	Total Rs. ..	....	1,83,138 15 4

We beg to report that we have audited the balance sheet of the Bombay Chamber of Commerce above set forth, and have obtained all the information and explanations required. The above balance sheet exhibits a true and correct view of the state of the Chamber's affairs according to the best of our information, and the explanations given to us, and as shown by the books of the Chamber and in our opinion is drawn up in conformity with the law.

C. R. SHARP & Co.,

Chartered Accountants,

Auditors.

BOMBAY, 2*nd March* 1934.

W. G. LELY,

President.

J. F. MACDONELL,

Member of Committee.

R. J. F. SULIVAN,

Secretary.

THE BOMBAY CHAMBER OF COMMERCE PROVIDENT FUND.

Statement of Accounts from 1*st January to* 31*st December* 1933.

	Rs. a. p.	Rs. a. p.	Rs. a. p.
By Balance at Credit of this account on 31st December 1932	....	....	3,25,187 8 4
Add—			
Subscriptions received from Members	....	8,011 5 9	
Contributions paid by the Chamber of Commerce	....	6,744 7 9	
Interest	....	16,741 2 7	31,497 0 1
			3,56,684 8 5
Deduct—			
Claim paid to a member	....	3,522 14 5	
Non-refundable withdrawals (Rule 28 (4))	....	609 14 0	4,132 12 5
To Balance at Credit of this Account on 31st December 1933 ..	....	....	3,52,551 12 0
Add—Lapses and Forfeitures account	....	....	7,095 8 7
			3,59,647 4 7

Held thus— INVESTMENTS,	Value on 31st December 1933. Rs. a. p.	Cost Price. Rs. a. p.
3½ per cent. Government Promissory Notes of the Loans of 1854-55 and 1900-01 for Rs. 6,000	4,927 8 0	4,925 0 0
4 per cent. City of Bombay Improvement Trust Bonds for Rs. 32,000	29,360 0 0	31,420 0 0

4 per cent. Bombay Port Trust Bonds for Rs. 21,000	19,582 8 0	21,013 12 0			
4 per cent. Bombay Municipal Bonds for Rs. 3,500	3,447 8 0	3,627 8 0			
5 per cent. Bombay Municipal Water Works Debenture Loan 1948 for Rs. 10,000	10,550 0 0	10,000 0 0			
5 per cent. Government Loan, 1939-44 Bonds, for Rs. 70,700 ..	74,146 10 0	64,241 14 0			
4 per cent. Government Loan, 1960-70, for Rs. 65,900	64,911 8 0	62,851 10 0			
4½ per cent. Government Loan, 1955-60, for Rs. 26,000	27,332 8 0	24,415 0 0			
5 per cent. Government Loan, 1935 Bonds, for Rs. 16,100	16,643 6 0	15,778 0 0			
5½ per cent. Government Loan, 1938-40, for Rs. 1,14,000	1,21,695 0 0	1,14,555 15 0			
	3,72,596 8 0	3,52,828 11 0			
Less—Appreciation in Value of the above Securities	19,767 13 0				
	3,52,828 11 0	3,52,828 11 0			
Amount due by Members	....	910 0 0			
Cash in the Imperial Bank of India	....	5,908 9 7			
			3,59,647	4	7

Examined and found correct.

C. R. SHARP & Co.,
Chartered Accountants,
Auditors.

BOMBAY, 2*nd March* 1934.

W. G. LELY,
President.

J. F. MACDONELL,
Member of Committee.

R. J. F. SULIVAN,
Secretary.

Report

OF THE

Bombay Chamber of Commerce

FOR THE YEAR 1933.

CORRESPONDENCE, DOCUMENTS AND STATISTICS.

Bombay:

THE TIMES OF INDIA PRESS.

1934.

FAREWELL ADDRESS TO HIS EXCELLENCY SIR FREDERICK SYKES.

To His Excellency The Right Honourable Sir Frederick Hugh Sykes, P.C., G.C.I.E., G.B.E., K.C.B., C.M.G., Governor of Bombay.

MAY IT PLEASE YOUR EXCELLENCY.

It is exactly five years since we had the honour of waiting on Your Excellency to present an address of welcome. To-day we are assembled to bid you farewell.

Your Excellency's term of office has been a period of unusual difficulty. India has experienced to the full the aftermath of the Great War, in the shape of political and social unrest and economic depression. From end to end the country was torn by disturbances in which Bombay unhappily played a leading part. The civil disobedience movement led to serious and widespread disorders. The embarrassments of Government were aggravated, and the trade of the Presidency was jeopardised, by constant boycotts and frequent hartals, while in two different years Bombay City itself was for weeks the scene of serious communal riots, in which hundreds of persons lost their lives. Throughout these troublous years Your Excellency has preserved an even mind—

"Aequam memento rebus in arduis servare mentem," and to the steadfast manner in which you have confronted the difficulties of the time may be in large measure ascribed the restoration of peace and order and the return to the happier conditions now prevailing.

Trade depression and financial stringency have everywhere necessitated the exercise of rigorous economy. We would pay a tribute to the thorough manner in which Your Excel-

lency has superintended the reorganization of the Presidency's administration, and to the lead which you yourself have given in the economy campaign by effecting drastic reductions in your household expenditure. Although often handicapped by indifferent health, you have displayed an unflagging energy and an assiduous devotion to duty, which have been the admiration of all who have had the privilege of coming in contact with you. We believe that your labours will prove to have contributed not a little to the successful inauguration of provincial autonomy in this Presidency, and that their fruits will be enjoyed by its people long after Your Excellency has left these shores.

The maintenance of law and order, and the reorganization of the administrative machine have occupied so much time and attention that it was only towards the close of your term of office that Your Excellency was free to concentrate on the immensely important task of rural uplift. It is a truism that the prosperity of commerce and industry are dependent on a prosperous peasantry. You have made this a living issue, and have idealised it by directing our steps along this road in the dictates of duty, not of self-interest. By enlisting the support of all classes, and by exhorting them to mobilize all possible resources, you have initiated a powerful movement of village betterment by which Your Excellency's name will ever be remembered in the hearts of the people.

We gratefully acknowledge Your Excellency's sympathetic interest in the affairs of this Chamber, and your ready accessibility to its officers.

We desire to express our warm appreciation of the unselfish devotion which Lady Sykes has shown to all forms of charitable endeavour, and of the outstanding social charm which has endeared her to all.

In taking leave of Your Excellency and Lady Sykes, we wish you both a safe journey home, and a well-earned rest after your arduous work in India.

In the name and on behalf of the members of the Bombay Chamber of Commerce.

W. G. LELY, *President.*

L. A. HALSALL, *Vice-President.*

T. E. CUNNINGHAM,
J. J. FLOCKHART,
S. FUCHSMANN,
J. F. MACDONELL,
J. C. PENDER,
W. M. PETRIE,
ALBERT RAYMOND,
} *Members of the Committee.*

R. J. F. SULIVAN, *Secretary.*

BOMBAY, *December 6th* 1933.

His Excellency Sir Frederick Sykes in reply said :—

Mr. President and Members of the Committee of the Bombay Chamber of Commerce,—I am deeply grateful to you for the sympathetic and encouraging words you have just addressed to me and I greatly appreciate all that you have said. It would be idle to suggest that you and I have always been at one in matters of policy. Indeed, there may have been times when you may have thought that the wheels of Government moved too slowly in coming to the rescue of commerce hampered and restricted by boycotts and hartals.

On this point I would only say that, whilst always having been as responsive as possible to public opinion, I have endeavoured to make sure that the long view on any subject, formed often enough by facts and circumstances that could not be communicated to the public, should not be obscured by

the circumstances of the moment. The present is not separable from the past, and it is not necessarily what it would be best to do, but what is the nearest approach to it which is practicable and lasting. I am therefore very gratified to learn from your address that you have not only appreciated the difficulties but have recognised that, despite them, peace and order have been restored and happier conditions now prevail.

World conditions are in a state of violent transition, action and reaction are taking place everywhere, yet essential continuity and stability of progress have to be maintained. The winning of peace has been a long and difficult period, and one cannot expect the settling process after such an upheaval to be anything but a slow one.

You have very rightly remarked that trade depression and financial stringency have everywhere necessitated the exercise of rigorous economy, and I can assure you that, during the whole of my term of office, the budgetary situation has been a constant source of anxiety. I think I am right in saying that the financial history of the administration of Government has, in the last twelve years, followed closely the history of trade and commerce in this City. That period falls into three divisions. The first from 1921 to 1924 was a boom period ; the second from 1925 to 1929 was one in which revenue was shrinking and immediate attempts were made at retrenchment ; and the third, from 1930 onwards, was a period of economic distress and trade depression. I believe most people in Bombay were optimistic at one time and dreamed dreams and saw beautiful visions. All came suddenly to earth and were forced to face unpleasant realities. It was the year 1925 that brought the first important budget deficit—a deficit of some 76 lakhs, increased in 1926 to nearly

a crore and a half. 1927 and 1928 showed a slight improvement, but the four years together saw an excess of 266 lakhs in expenditure over revenue, due, I must point out, chiefly to shrinkage of revenue, for expenditure decreased in those four years by 90 lakhs. Retrenchment was taken in hand and the headlong fall in prices in the year 1930, when the Presidency was faced with a sudden and apparently prolonged shrinkage in revenue, made it essential, whilst bearing in mind that good Government necessitates efficient administration, for the whole system to be overhauled in such a way as to make expenditure square with revenue.

I would, however, say that retrenchment did not begin with the Reorganization Committee of 1932. On three occasions prior to 1931 retrenchment committees were appointed and effected savings estimated at about 63 lakhs. That of 1931 recommended retrenchments amounting to 118 lakhs and action taken independently by Government was responsible for reductions in expenditure of 40 lakhs.

The Reorganisation Committee that reported last year investigated the whole of the administrative mechanism with a view to a permanent reduction in expenditure in order to bring it into line with the seriously diminishing revenues. Their proposals were estimated to bring an eventual betterment of two crores : but of this 82 lakhs was to come from savings on pay and pensions and only 60 lakhs was within the power of the Local Government and the legislature to secure in the near future. My Government have sanctioned revised scales of pay for most of the provincial and subordinate services, and the application of these scales is expected to result in an ultimate saving of about 34 lakhs under pay and 7 lakhs in pensions. Revised scales of pay for the remaining provincial and subordinate services are under consideration and will be sanctioned shortly. The total financial

betterment anticipated from action taken on the report of the Reorganisation Committee and other retrenchment measures in the financial year 1933-34 amounts to 24 lakhs, which will ultimately be increased to 76 lakhs. It is clear, therefore, that the Government's efforts at retrenchment have met with a real measure of success. The total expenditure, excluding the debt and pension charges, in 1933-34 is 11,20 lakhs as compared with the corresponding figure of 12,32 in 1929-30 and with 13,28 lakhs in 1921-22. I have said elsewhere that, given normal conditions, the 1933-34 budget should balance, and the Presidency may look forward to entering in the near future upon a period of balanced budgets. It may perhaps not be out of place to mention a fact that is sometimes forgotten, namely, that since 1921, though the Presidency has shouldered additional taxation yielding about 60 lakhs a year, this has gone but a little way towards meeting the fall in revenue and it is by rigid saving and the complete overhaul of the administration that the decline in revenue has been met.

I have always been convinced, however, that we must avoid confining ourselves to purely negative action and seek all well thought-out means of increasing our resources as well. I refer to another matter with which you, Gentlemen, are familiar and about which you have often heard me speak—the Meston Settlement. We are at one in our agreement as to the unfairness of that Settlement to this Presidency. I refer to it again as it is essential that the people of this Presidency should realise and do all that lies in their power to amend a system whereby Bombay, containing within its borders two of the four major ports of India and two other of India's important industrial centres, is deprived of the most important share in Government revenue which is drawn from trade and industry such as income-tax and customs

duties. The adjustment of the growth of expenditure caused by expanding trade and industry to the revenue derived from them can only be made, if it is to work at all automatically, through income-tax, and accordingly this Presidency looks forward to receiving, after the next financial settlement, a fair share of that revenue collected from its residents.

Gentlemen, many people can realise the obstacles to sound progress, but few can show how, wisely, to clear them. Politics have to deal with human beings filled with every conceivable complexity of mentality. I would like to thank you for all the help and assistance I have received from you, both individually and in your representative capacity. That co-operation will always be a treasured memory, and I know you will extend it to my successor in order to help the causes which we all have so much at heart : peace ; constructive reorientation, social, economic and political ; and contentment. My constant hope and effort during the past five years has been, that when the time came for me to hand over, it might be that these should have been somewhat furthered to the moral and material advantage of this Presidency, India and Great Britain.

I thank you once again for your very kind words of farewell.

ADDRESS OF WELCOME TO LORD BRABOURNE.

To His Excellency The Right Honourable Michael Herbert Rudolf Knatchbull Baron Brabourne, G.C.I.E., M.C., Governor of Bombay.

MAY IT PLEASE YOUR EXCELLENCY,

We, the Committee of the Bombay Chamber of Commerce, desire on behalf of the members of the Chamber to offer a most

cordial welcome to Your Excellency on your arrival in India as Governor of the Bombay Presidency.

Your Excellency assumes office on the eve of the inauguration of the next and most important stage of the constitutional reforms. With the introduction of provincial autonomy, the responsibilities of the Governor of this Presidency will be even heavier than those of his predecessors. In the discharge of your onerous duties Your Excellency may be assured of the loyal support of this Chamber, both in assisting to work the reforms, and in encouraging legitimate Indian aspirations, in so far as these are consistent with the maintenance of stable Government under the British Crown.

Trade depression and falling revenues under an inelastic financial system have imposed on the Government of Bombay a policy of rigid economy, in the execution of which they have been guided by a special Reorganization Committee. The call for economy is no less urgent to-day, and we trust that under Your Excellency's administration it may be found possible to carry further the policy of retrenchment recommended by that Committee. In the opinion of this Chamber, the possibilities in that direction have by no means been exhausted, and we feel sure that financial salvation lies along those lines, and is not to be found in the search for fresh forms of taxation, or in the perpetuation of certain emergency taxes already in existence.

During the five years ending March 1933 the total foreign trade of Bombay has declined in value from 184 to 142 crores of rupees, and this in spite of large exports of gold bullion in the last year. While the greater part of this decline is doubtless due to world causes, a portion is attributable to the diversion of trade to ports outside the Bombay Presidency. This regrettable tendency has been for some years, and still

is, a source of grave concern to the commercial community of Bombay, but hitherto efforts at counteracting it have proved unavailing. We are aware of the difficulties attending a solution of this problem, which we hope will none the less command Your Excellency's early and earnest attention.

Notwithstanding the establishment of a Road Board, the state of road communications in this Presidency still leaves much to be desired. A comprehensive scheme of development financed by means of loans would permit of the reconstruction, where necessary, of existing roads on modern lines, thus reducing maintenance charges and ultimately improving the revenue position. The present time when finance can be obtained on exceptionally favourable terms seems to be opportune for the initiation of any projects for the betterment of the Presidency's communications or for development of its resources, which can be shown to be financially sound. Such developments would give an impetus to trade and at the same time tend to relieve the burden of unemployment, and we feel confident we can rely upon the problem receiving Your Excellency's sympathetic consideration.

We have recently had the opportunity of thanking your predecessor for the keen interest which during his term of office he consistently showed in the work and activities of this Chamber. Support and sympathy from the head of the Government afford the commercial community the greatest encouragement in dealing with the many problems with which they are faced in these difficult times, and we do not doubt that we may count on receiving the same help at Your Excellency's hands.

We desire to extend to Lady Brabourne a very cordial welcome. We trust that she will enjoy the best of health, and we feel sure that she will interest herself in the many

philanthropic institutions which have been established for the benefit of the Presidency generally.

In the name and on behalf of the members of the Bombay Chamber of Commerce.

W. G LELY, *President.*

L. A. HALSALL, *Vice-President.*

T. E. CUNNINGHAM,
J. J. FLOCKHART,
S. FUCHSMANN,
J. F. MACDONELL,
J. C. PENDER,
W. M. PETRIE,
ALBERT RAYMOND.
} *Members of the Committee.*

R. J. F. SULIVAN, *Secretary.*

BOMBAY, *December 11th*, 1933.

His Excellency Lord Brabourne in reply said :—

GENTLEMEN—I thank you very much for the cordial welcome you have extended to me and for the kind words you have spoken about myself and Lady Brabourne. I think everybody who has even the slightest knowledge of India must be fully aware of the very important part played in its development by its European commercial community. In the course of my work at the India Office, and of the efforts I have since made to make myself acquainted with the problems which will confront me out here, I soon came to realise that those connected with your community, and the various special difficulties that beset you at the moment, would call for urgent attention. I can assure you that I shall endeavour to maintain fully the interest shown in your work and activities by my predecessor. I fully realise what a great help it will be to me to be assured of your support, and I shall do my

best to make myself acquainted as early as possible with your activities and the problems they present, particularly those in which my Government may be in a position to help you.

I am afraid, however, that there are two good reasons which prevent me from saying anything of interest at present about your contention that the policy of retrenchment should be pushed further by the Government of Bombay. In the first place, you will readily realise that I have only been able to study this very intricate question at a distance, which is a very different matter from a local study. Such study has, however, soon revealed to me that, as well as being intricate, it is also a contentious question, and that there are other opinions thereon besides those advanced in your address. Secondly, the subject has been dealt with in some detail by my predecessor in the reply he has very recently made to your farewell address to him.

One of my first tasks will be to tackle the preliminary preparation of the Budget for the coming year. When I have had the advantage of discussing it in Council I shall be in a better position to form my own opinion on this question; but meanwhile I am afraid that all that I can promise you is to give the most careful consideration to the arguments you have advanced.

I fully realise that there has been a serious decline during the last five years in the foreign trade of the Port of Bombay. I can, therefore, well understand the very great importance which you attach to this falling off, and I agree that no efforts should be spared to counteract this unfortunate tendency. For that part of the decline which is due to world causes I am afraid that neither I nor my Government can hope to do very much to provide a remedy, and even the portion attributable to the diversion of trade to ports outside the Presidency is,

I understand, constitutionally a matter for the Government of India rather than the Local Government. I do not, however, mention this with any idea of making it an excuse for doing nothing in the matter. Although constitutionally 'Ports' may be a Central subject, there can be no doubt whatever of the practical effect which a decline in the trade of the Port will have on the prosperity of Bombay, and through that on the interests of the Presidency generally.

I note with interest what you say about the a scheme of financing road construction by means of Loans. *Prima facie* the arguments you advance would appear to be incontrovertible, but in practice I have noted elsewhere that things are not always quite as simple as they seem in problems of this kind, and my experience in England has shown that mortgaging the future is apt to produce difficulties of a very serious nature, unless the greatest care is taken to see that schemes are sound in themselves. I understand, however, that the Bombay Government have already taken up this question and are collecting the necessary information, so I hope that it may prove possible to act on this suggestion of yours in the near future.

On behalf of Lady Brabourne I thank you very much for the kind words of welcome you have spoken about her. She has, like myself, been looking forward keenly to the opportunities for useful service which her position will present.

As you say, Gentlemen, I am aware that I am embarking on this responsible office at a momentous period in the history of India. I agree with you that the position of the Governor in the future is likely to lose nothing in importance, and that the responsibilities may become greater. It will be more important than ever, therefore, for him to be able to count upon the co-operation of everybody who is in a position to

give sound advice and help, and for this reason it has been a source of great satisfaction to me to have had assurances of welcome and co-operation from important and influential bodies such as yours.

Once more, Gentlemen, I thank you for your address, and I hope that we may be embarking, in partnership, on a period of prosperity and progress.

RESERVE BANK OF INDIA BILL AND IMPERIAL BANK OF INDIA ACT (AMENDMENT) BILL.

Letter No. 563/216 of 1933, dated 17th October 1933 from the Acting Secretary, Bombay Chamber of Commerce to Sir Leslie Hudson, Kt., M.L.A., New Delhi.

The Committee of the Bombay Chamber of Commerce, in consultation with the Chamber's Finance Sub-Committee, have had under consideration the two above Bills, and I am directed to address you with their views.

My Committee do not propose to embark on discussion of the merits or demerits of the proposal at the present juncture to establish a Reserve Bank in India. It may well be doubted whether the present time, with the monetary systems of the world generally in a state of serious disorganisation, is a suitable one for a change in the existing method of currency control in India. So much appears to be admitted when it is stated in Section 19 of the report of the London Committee, and in the preamble to the Bill itself that it is not possible in present conditions to decide what is the proper basis for the monetary system of India. It might appear to be a reasonable deduction from this admission that the institution of a Reserve Bank should wait until International exchanges return to a more normal, or at any rate a more stable, condition, and that, until the proper exchange value of the rupee in relation to foreign currencies can be ascertained, a Reserve Bank should not be launched under the disadvantage of what

is considered by many to be an unnaturally high ratio, and what is by most admitted at any rate to be a ratio requiring further expert examination.

My Committee are under the impression, however, that any suggestion for delay, which in other circumstances might be considered the counsel of prudence, for reasons of political expediency stands no chance of consideration at the present time either by the Government of India, or by His Majesty's Government at home. The setting up of a Reserve Bank has been categorically, and very properly, laid down as one of the main conditions precedent to further constitutional reform and it seems clear that Government would definitely, and perhaps rightly, decline to entertain any proposal which might entail delay of unforeseen duration, in the pursuit of their well-defined constitutional programme.

My Committee therefore propose to work on the assumption that the early inauguration of the Reserve Bank is inevitable, and to address their remarks only to the particular points in the Bill which appear to invite criticism. I am to say, however, that even on this assumption my Committee are seriously exercised as to the financial aspect of the scheme. The inauguration and maintenance of a Reserve Bank on the lines laid down in the Bill cannot fail to involve India in considerable expense, at a time when additional expenditure can least easily be borne, and at a time also when it is imminent in various other directions. I am to mention in this connection a suggestion which has been made to my Committee that possibly Government's purpose might be fulfilled more economically if, instead of setting up an entirely new Reserve Bank, they were to evolve a scheme for splitting up the capital and functions of the Imperial Bank of India into two parts, the first to perform the duties of a Central Bank and the second to be reconstituted into the original component parts of three independent Presidency Banks in Bombay, Bengal and Madras. This appears to be an ingenious solution, and I am directed to mention it as such, but my Committee would wish it to be clear that they do not pretend to have studied all its possible implications or even to have examined closely its practicability, for the reason that they feel more than doubtful of its being acceptable to those in charge of Government measures.

I now turn to the provisions of the Reserve Bank Bill which is at present before the Select Committee, and I would mention that con-

sideration of these has largely followed the lines indicated at the close of your letter of 20th September. I am to make the following comments.

Clause 4 (3) (*a*) & (*b*). My Committee take serious exception to the implication of compulsory sale of shares on the part of British subjects on retirement from India. They consider that it might not unreasonably be laid down that a prospective shareholder should, at the time of purchase of his shares, be " ordinarily resident in India", but they consider, that if subsequently such shareholder were to leave India, he and his heirs should be allowed to retain his shareholding, and to enjoy the rights conferred by it.

My Committee realise that the provisions of this Clause appeared in the 1928 Bill, and they appreciate that the intention is to ensure a preponderatingly Indian holding of the Bank's shares. They do not consider, however, that this purpose would to any extent be prejudiced by their suggested amendment.

Clause 6. My Committee approve of the establishment in Bombay of the Head Office of the Bank.

They also endorse the recommendation of the London Committee that there should be no statutory obligation to set up a branch of the Reserve Bank in London. On the contrary, they are definitely of opinion that it is very desirable that the Reserve Bank should employ the Bank of England as its Agent in London.

Clause 17 (3).—The attention of my Committee has been particularly drawn to the words, in the second and third lines of the above sub-section, " and persons approved by the Central Board. " It is pointed out that inclusion of these words puts persons so approved in a specially privileged position. Persons (including presumably firms and companies), on whom this specific approval is conferred, will not appear in the second Schedule, and will therefore not carry the obligations borne by the Scheduled Banks in the matter of compulsory deposit with the Reserve Bank of a substantial part of their funds. In spite of this, they will enjoy the same facilities as the Scheduled Banks in the matter of sale to, or purchase from, the Reserve Bank of sterling exchange, and it is urged that the words quoted above should be omitted.

On the other hand it is contended equally strongly that omission of these words would deprive certain merchants of facilities which they now enjoy for exchange transactions with Government. It is also pointed out that the Reserve Bank, as responsible for making Government's sterling remittances, should not be subjected to restrictions which may prejudice its doing so to the best advantage.

Between these two conflicting views, which may be described as those of the banker and of the merchant, my Committee have found some difficulty in reaching a definite conclusion. On the whole, however, and bearing in mind the limited number of firms affected it appears to the majority a reasonable contention that the Scheduled Banks should receive consideration in return for the liability imposed upon them by the Bill, and that this element of competition from persons, etc., outside the Schedule should be removed.

On similar grounds it would seem to my Committee reasonable that a limitation should be put upon the provisions of clause 17 (4) by the addition, after the word " advances " in the first line, of the words " to the Scheduled Banks."

Clause 18 has been criticised as permitting too easily the exercise by the Reserve Bank of functions which it admittedly must have, but should only use, in case of emergency. It is feared that powers which are properly conferred for the purpose of regulating currency may be too freely employed in competition with joint stock banks in the performance of their ordinary functions. It has even been suggested that the clause should be amended so as to allow direct discount by the Reserve Bank only when the Governor-General in Council has declared a state of emergency to exist.

Without going so far as this, my Committee would be disposed to suggest the introduction into the wording of the clause of some form of direction to the Central Board and to the Governor as the Board's delegate, that the power conveyed by the clause is not intended to be used unless in exceptional circumstances.

Clause 42 (1). In addressing the Government of Bombay in February 1927, on the proposed Gold Standard and Reserve Bank of India Bill, the Chamber expressed the opinion that the percentages of demand liabilities and time liabilities to be maintained by the Scheduled

Banks as minimum balances with the Reserve Bank of India were too high, and should be reduced to 5 and 1½ per cent. respectively. Subsequently in February 1928, when addressing the Associated Chambers' representative in the Legislative Assembly on the revised Bill, the Chamber, in commenting on the fact that the Government of India had not seen their way to act on this suggestion admitted that prescription of the higher percentages would no doubt ensure that indigenous banks would not, as was reported to be the case in some instances conduct their Banking business on an insufficient margin of safety as regards liquid funds. While allowing that it would undoubtedly be invidious to make any distinction in such a matter between one Bank and another, the Chamber suggested that it was perhaps a hardship that the larger and older established banks should be required to deposit so large an amount in hard cash which would be earning no interest, and that they might be allowed to deposit a moiety of the amount in Government securities. My Committee still feel that, even if the percentages cannot be reduced, this last suggestion should be given further consideration.

My Committee have given careful consideration to the other points mentioned in your letter of the 20th September as inviting discussion, *viz* :—

(*a*) nature of Reserves ;
(*b*) limitation of holding of Gold and Securities ;
(*c*) valuation of Gold in Reserves ;
(*d*) treatment of profits on above ; and
(*e*) treatment of surplus silver.

Various views have been put forward on these matters, namely in regard to the proposed Reserves, in respect of which criticism has been chiefly directed against the absence, in Clause 33 (2), of provision for a minimum *percentage* of the note issue to be held in gold coin or gold bullion, as opposed to the specific minimum named of Rs. 35 crores,—a figure which, it is agreed, appears quite reasonable by comparison with the present issue of notes. Against this, it has been suggested that the prescription in the present Bill of a minimum percentage, which would mean a reserve liable to vary with the amount of the note issue, would not be compatible with the provisional nature of the whole measure as indicated in the preamble to the Bill. However that

may be, my Committee have come to the conclusion that on these highly technical questions they will be well advised not to press views opposed to those of the experts who have had them under detailed examination both in London and in India.

There remains the general question of the status of the Reserve Bank as between the views of those who agree that it should be purely a shareholders' bank, and of those who would prefer to see it constituted on the basis of a State Bank. My Committee have no hesitation in strongly supporting the former view, and they are of opinion that the argument which has been advanced in favour of a State Bank, namely apprehension that control may fall into the hands of certain sectional interests, is sufficiently answered by the provisions in Clause 4 (6) for the original allotment of shares, and by the further limitation Clause 14 (2) to ten of the number of votes which may be exercised by any one shareholder. Moreover my Committee are definitely opposed to the introduction of any liberty to Government to purchase the shares of the Bank at the end of a specified period. Such right of emption would appear to be totally inconsistent with insistence on the basis of a shareholders' Bank, and they are of opinion that any such proposal should be strongly opposed.

In regard to the Imperial Bank of India Amendment Bill, my Committee take it that this Bill is to be regarded simply as a consequential measure which must follow the passing of the Reserve Bank Bill. As such my Committee have no particular comments to offer, though it is clear that the compensation to be given to the Imperial Bank, whatever view may be taken as to its generosity or the reverse, seriously enhances the cost of the proposed change. One suggestion that has been made to my Committee is that, as almost all the restrictions regarding the business which may be conducted by the Imperial Bank of India will have been removed, and as it would appear that the Imperial Bank's balance-sheet must in future be drawn up in accordance with that section of the Indian Companies Act specially applicable to Banks there seems no good reasons why the Imperial Bank should not be reincorporated with Articles of Association under that Act instead of continuing to be regulated by a special Act of its own. It appears possible to my Committee, however, that the retention of a separate constitution for the Imperial Bank of the India may be

deliberate policy on the part of Government as providing a second line of defence if, for any reason, the Reserve Bank should fail to fulfil its functions.

In conclusion, I am to express regret that it has not been found possible to provide you with the views of my Committee on these Bills with a greater margin of time before the commencement of the deliberations of the Select Committee of which you are a member, and which, it is understood, is due to begin its sittings on 23rd October.

RESERVE BANK OF INDIA ACT.

ACT NO. II OF 1934.

[PASSED BY THE INDIAN LEGISLATURE.]

(*Received the assent of the Governor General on the 6th March* 1934.)

An Act to Constitute a Reserve Bank of India.

WHEREAS it is expedient to constitute a Reserve Bank for India to regulate the issue of bank notes and the keeping of reserves with a view to securing monetary stability in British India and generally to operate the currency and credit system of the country to its advantage;

And whereas in the present disorganisation of the monetary systems of the world it is not possible to determine what will be suitable as a permanent basis for the Indian monetary system;

But whereas it is expedient to make temporary provision on the basis of the existing monetary system, and to leave the question of the monetary standard best suited to India to be considered when the international monetary position has become sufficiently clear and stable to make it possible to frame permanent measures;

It is hereby enacted as follows :—

CHAPTER I.

Preliminary.

Short title, extent and commencement.

1. (1) This Act may be called the Reserve Bank of India Act, 1934.

(2) It extends to the whole of British India, including British Baluchistan and the Sonthal Parganas.

(3) This section shall come into force at once and the remaining provisions of this Act shall come into force on such date or dates as the Governor General in Council may, by notification in the *Gazette of India*, appoint.

Definitions.

2. In this Act, unless there is anything repugnant in the subject or context,—

(*a*) " the Bank " means the Reserve Bank of India constituted by this Act ;

(*b*) " the Central Board " means the Central Board of Directors of the Bank ;

(*c*) " provincial co-operative bank " means the principal society in a province which is registered or deemed to be registered under the Co-operative Societies Act, 1912, or any other law for the time being in force in British India relating to co-operative societies and the primary object of which is the financing of the other societies in the province which are or are deemed to be so registered :

II of 1912.

Provided that in addition to such principal society in a province or where there is no such principal society in a province the Local Government may declare any central co-operative society in that province to be a provincial co-operative bank within the meaning of this definition ;

(*d*) "rupee coin" means silver rupees which are legal tender under the provisions of the Indian Coinage Act, 1906; and III of 1906.

(*e*) "scheduled bank" means a bank included in the Second Schedule.

CHAPTER II.

Incorporation, Share Capital, Management and Business.

Establishment and incorporation of Reserve Bank.

3. (1) A Bank to be called the Reserve Bank of India shall be constituted for the purposes of taking over the management of the currency from the Governor General in Council and of carrying on the business of banking in accordance with the provisions of this Act.

(2) The Bank shall be a body corporate by the name of the Reserve Bank of India, having perpetual succession and a common seal, and shall by the said name sue and be sued.

Share capital, share registers and shareholders.

4. (1) The original share capital of the Bank shall be five crores of rupees divided into shares of one hundred rupees each, which shall be fully paid up.

(2) Separate registers of shareholders shall be maintained at Bombay, Calcutta, Delhi, Madras and Rangoon and a separate issue of shares shall be made in each of the areas served by those registers, as defined in the First Schedule, and shares shall be transferable from one register to another.

(3) A shareholder shall be qualified to be registered as such in any area in which he is ordinarily resident or has his principal place of business in India, but no person shall be registered as a shareholder in more than one register; and no person who is not—

(*a*) domiciled in India and either an Indian subject of His Majesty, or a subject of a State in India, or

(*b*) a British subject ordinarily resident in India and domiciled in the United Kingdom or in any part of His Majesty's Dominions the government of which does not discriminate in any way against Indian subjects of His Majesty, or

. . . . . .

(*c*) a company registered under the Indian Companies Act, 1913, or a society registered under the Co-operative Societies Act, 1912, or any other law for the time being in force in British India relating to co-operative societies or a scheduled bank, or a corporation or company incorporated by or under an Act of Parliament or any law for the time being in force in any part of His Majesty's Dominions the government of which does not discriminate in any way against Indian subjects of His Majesty, and having a branch in British India,

VII of 1913.
II of 1912.

shall be registered as a shareholder or be entitled to payment of any dividend on any share, and no person, who, having been duly registered as a shareholder, ceases to be qualified to be so registered, shall be able to exercise any of the rights of a shareholder otherwise than for the purpose of the sale of his shares.

(4) The Governor General in Council shall, by notification in the *Gazette of India*, specify the parts of His Majesty's Dominions which shall be deemed for the purposes of clauses (*b*) and (*c*) of sub-section (3) to be the parts of His Majesty's Dominions in which no discrimination against Indian subjects of His Majesty exists.

(5) The nominal value of the shares originally assigned to the various registers shall be as follows, namely :—

(*a*) to the Bombay register—one hundred and forty lakhs of rupees ;

(*b*) to the Calcutta register—one hundred and forty-five lakhs of rupees ;

(*c*) to the Delhi register—one hundred and fifteen lakhs of rupees ;

(*d*) to the Madras register—seventy lakhs of rupees ;

(*e*) to the Rangoon register—thirty lakhs of rupees :

Provided that if at the first allotment the total nominal value of the shares on the Delhi register for which applications are received is less than one hundred and fifteen lakhs of rupees, the Central Board shall, before proceeding to any allotment, transfer any shares not applied for up to a maximum nominal value of thirty-five lakhs of rupees from that register in two equal portions to the Bombay and the Calcutta register.

A Committee consisting of two elected members of the Assembly and one elected member of the Council of State to be elected by non-official members of the respective Houses shall be associated with the Central Board for the purpose of making public issue of shares and looking after the first allotment of shares.

(6) In allotting the shares assigned to a register, the Central Board shall, in the first instance, allot five shares to each qualified applicant who has applied for five or more shares, and, if the number of such applicants is greater than one-fifth of the total number of shares assigned to the register, shall determine by lot the applicants to whom the shares shall be allotted.

(7) If the number of such applicants is less than one-fifth of the number of shares assigned to the register, the Central Board shall allot the remaining shares firstly, up to the limit of one-half of such remaining shares, to those applicants

who have applied for less than five shares, and thereafter as to the balance to the various applicants in such manner as it may deem fair and equitable, having regard to the desirability of distributing the shares and the voting rights attached to them as widely as possible.

(8) Notwithstanding anything contained in sub-sections (6) and (7), the Central Board shall reserve for and allot to Government shares of the nominal value of two lakhs and twenty thousand rupees to be held by Government for disposal at par to Directors seeking to obtain the minimum share qualification required under sub-section (2) of section (11).

(9) If, after all applications have been met in accordance with the provisions of sub-sections (6), (7) and (8) any shares remain unallotted, they shall, notwithstanding anything contained in this section, be allotted to and taken up by Government, and shall be sold by the Governor General in Council as soon as may be, at not less than par, to residents of the areas served by the register concerned.

(10) The Governor General in Council shall have no right to exercise any vote under this Act by reason of any shares allotted to him under sub-section (8) or under sub-section (9).

(11) A Director shall not dispose of any shares obtained from Government under the provisions of sub-section (8) otherwise than by re-sale to Government at par, and Government shall be entitled to re-purchase at par all such shares held by any Director on his ceasing from any cause to hold office as Director.

Increase and reduction of share capital.

5. (1) The share capital of the Bank may be increased or reduced on the recommendation of the Central Board, with the previous sanction of the Governor General in Council and with the approval of the Central Legislature, to such extent

and in such manner as may be determined by the Bank in general meeting.

(2) The additional shares so created shall be of the nominal value of one hundred rupees each and shall be assigned to the various registers in the same proportions as the shares constituting the original share capital.

(3) Such additional shares shall be fully paid up, and the price at which they may be issued shall be fixed by the Central Board with the previous sanction of the Governor General in Council.

(4) The provisions of section 4 relating to the manner of allotment of the shares constituting the original share capital shall apply to the allotment of such additional shares, and existing shareholders shall not enjoy any preferential right to the allotment of such additional shares.

Offices, branches and agencies.

6. The Bank shall, as soon as may be, establish offices in Bombay, Calcutta, Delhi, Madras and Rangoon and a branch in London, and may establish branches or agencies in any other place in India or, with the previous sanction of the Governor General in Council, elsewhere.

Management.

7. The general superintendence and direction of the affairs and business of the Bank shall be entrusted to a Central Board of Directors which may exercise all powers and do all acts and things which may be exercised or done by the Bank and are not by this Act expressly directed or required to be done by the Bank in general meeting.

Composition of the Central Board, and term of office of Directors.

8. (1) The Central Board shall consist of the following Directors, namely :—

(*a*) a Governor and two Deputy Governors, to be appointed by the Governor General in Council after con

sideration of the recommendations made by the Board in that behalf;

(*b*) four Directors to be nominated by the Governor General in Council;

(*c*) eight Directors to be elected on behalf of the shareholders on the various registers, in the manner provided in section 9 and in the following numbers, namely:—

(*i*) for the Bombay register—two Directors;
(*ii*) for the Calcutta register—two Directors;
(*iii*) for the Delhi register—two Directors;
(*iv*) for the Madras register—one Director;
(*v*) for the Rangoon register—one Director; and

(*d*) one government official to be nominated by the Governor General in Council.

(2) The Governor and Deputy Governors shall devote their whole time to the affairs of the Bank, and shall receive such salaries and allowances as may be determined by the Central Board, with the approval of the Governor General in Council.

(3) A Deputy Governor and the Director nominated under clause (*d*) of sub-section (1) may attend any meeting of the Central Board and take part in its deliberations but shall not be entitled to vote:

Provided that when the Governor is absent a Deputy Governor authorized by him in this behalf in writing may vote for him.

(4) The Governor and a Deputy Governor shall hold office for such term not exceeding five years as the Governor General in Council may fix when appointing them, and shall be eligible for re-appointment.

A Director nominated under clause (*b*) or elected under clause (*c*) of sub-section (1) shall hold office for five years, or thereafter until his successor shall have been duly nominated or elected, and, subject to the provisions of section 10, shall be eligible for re-nomination or re-election.

A Director nominated under clause (*d*) of sub-section (1) shall hold office during the pleasure of the Governor General in Council.

(5) No act or proceeding of the Board shall be questioned on the ground merely of the existence of any vacancy in, or any defect in the constitution of, the Board.

Local Boards, their constitution and functions.

9. (1) A Local Board shall be constituted for each of the five areas specified in the First Schedule, and shall consist of—

(*a*) five members elected from amongst themselves by the shareholders who are registered on the register for that area and are qualified to vote, and

(*b*) not more than three members nominated by the Central Board from amongst the shareholders registered on the register for that area, who may be nominated at any time:

Provided that the Central Board shall in exercising this power of nomination aim at securing the representation of territorial or economic interests not already represented, and in particular the representation of agricultural interests and the interests of co-operative banks.

(2) At an election of members of a Local Board for any area, any shareholder who has been registered on the register for that area, for a period of not less than six months ending with the date of the election, as holding five shares shall have one vote, and each shareholder so registered as having more

than five shares shall have one vote for each five shares, but subject to a maximum of ten votes, and such votes may be exercised by proxy appointed each occasion for that purpose, such proxy being himself a shareholder entitled to vote at the election and not being an employee of the Bank.

(3) The members of a Local Board shall hold office until they vacate it under sub-section (6) and, subject to the provisions of section 10, shall be eligible for re-election or re-nomination, as the case may be.

(4) At any time within three months of the day on which the Directors representing the shareholders on any register are due to retire under the provisions of this Act, the Central Board shall direct an election to be held of members of the Local Board concerned, and shall specify a date from which the registration of transfers from and to the register shall be suspended until the election has taken place.

(5) On the issue of such direction the Local Board shall give notice of the date of the election and shall publish a list of shareholders holding five or more shares, with the dates on which their shares were registered, and with their registered addresses, and such list shall be available for purchase not less than three weeks before the date fixed for the election.

(6) The names of the persons elected shall be notified to the Central Board which shall thereupon proceed to make any nominations permitted by clause (*b*) of sub-section (1) it may then decide to make, and shall fix the date on which the outgoing members of the Local Board shall vacate office, and the incoming members shall be deemed to have assumed office on that date.

(7) The elected members of a Local Board shall, as soon as may be after they have been elected, elect from amongst themselves one or two persons, as the case may be,

to be Directors representing the shareholders on the register for the area for which the Board is constituted.

(8) A Local Board shall advise the Central Board on such matters as may be generally or specifically referred to it and shall perform such duties as the Board may, by regulations, delegate to it.

Disqualifications of Directors and members of Local Boards.

10. (1) No person may be a Director or a member of a Local Board who—

(*a*) is a salaried government official or a salaried official of a State in India, or

(*b*) is, or at any time has been, adjudicated an insolvent, or has suspended payment or has compounded with his creditors, or

(*c*) is found lunatic or becomes of unsound mind, or

(*d*) is an officer or employee of any bank, or

(*e*) is a director of any bank, other than a bank which is a society registered or deemed to be registered under the Co-operative Societies Act, 1912, or any other law for the time being in force in British India relating to co-operative societies. II of 1921.

(2) No two persons who are partners of the same mercantile firm, or are directors of the same private company, or one of whom is the general agent of or holds a power of procuration from the other, or from a mercantile firm of which the other is a partner, may be Directors or members of the same Local Board at the same time.

(3) Nothing in clause (*a*), clause (*d*) or clause (*e*) of sub-section (1) shall apply to the Governor, or to a Deputy Governor or to the Director nominated under clause (*d*) of sub-section (1) of section 8.

Removal from and vacation of office.

11. (1) The Governor General in Council may remove from office the Governor, or a Deputy Governor or any nominated or elected Director:

Provided that in the case of a Director nominated or elected under clause (*b*) or clause (*c*) of sub-section (1) of section 8 this power shall be exercised only on a resolution passed by the Central Board in that behalf by a majority consisting of not less than nine Directors.

(2) A Director nominated or elected under clause (*b*) or clause (*c*) of sub-section (1) of section 8, and any member of a Local Board shall cease to hold office if, at any time after six months from the date of his nomination or election, he is not registered as a holder of unencumbered shares of the Bank of a nominal value of not less than five thousand rupees, or if he ceases to hold unencumbered shares of that value, and any such Director shall cease to hold office if without leave from the Governor General in Council he absents himself from three consecutive meetings of the Central Board convened under sub-section (1) of section 13.

(3) The Governor General in Council shall remove from office any Director, and the Central Board shall remove from office any member of a Local Board, if such Director or member becomes subject to any of the disqualifications specified in sub-section (1) or sub-section (2) of section 10.

(4) A Director or member of a Local Board removed or ceasing to hold office under the foregoing sub-sections hall not be eligible for re-appointment either as Director or as member of a Local Board until the expiry of the term for which his appointment was made.

(5) The appointment, nomination or election as Director or member of a Local Board of any person who is a member

of the Indian Legislature or of a local Legislature shall be void, unless, within two months of the date of his appointment, nomination or election, he ceases to be such member, and, if any Director or member of a Local Board is elected or nominated as a member of any such Legislature, he shall cease to be a Director or member of the Local Board as from the date of such election or nomination, as the case may be.

(6) A Director may resign his office to the Governor General in Council, and a member of a Local Board may resign his office to the Central Board, and on the acceptance of the resignation the office shall become vacant.

Casual vacancies and absences.

12. (1) If the Governor or a Deputy Governor by infirmity or otherwise is rendered incapable of executing his duties or is absent on leave or otherwise in circumstances not involving the vacation of his appointment, the Governor General in Council may, after consideration of the recommendations made by the Central Board in this behalf, appoint another person to officiate for him, and such person may, notwithstanding anything contained in clause (*d*) of sub-section (1) of section 10, be an officer of the Bank.

(2) If an elected Director is for any reason unable to attend a particular meeting of the Central Board, the elected members of the Local Board of the area which he represents may elect one of their number to take his place, and for the purposes of that meeting the substitute so elected shall have all the powers of the absent Director.

(3) Where any casual vacancy in the office of any member of a Local Board occurs otherwise than by the occurrence of a vacancy in the office of a Director elected by the Local Board, the Central Board may nominate thereto

any qualified person recommended by the elected members of the Local Board.

(4) Where any casual vacancy occurs in the office of a Director other than the vacancies provided for in sub-section (1), the vacancy shall be filled, in the case of a nominated Director by nomination, and in the case of an elected Director by election held in the manner provided in section 9 for the election of Directors:

Provided that before such election is made the resulting vacancy, if any, in the Local Board and any vacancy in the office of an elected member of such Board which may have been filled by a member nominated under sub-section (3) shall be filled by election held as nearly as may be in the manner provided in section 9 for the election of members of a Local Board.

(5) A person nominated or elected under this section to fill a casual vacancy shall, subject to the proviso contained in sub-section (4), hold office for the unexpired portion of the term of his predecessor.

Meetings of the Central Board.

13. (1) Meetings of the Central Board shall be convened by the Governor at least six times in each year and at least once in each quarter.

(2) Any three Directors may require the Governor to convene a meeting of the Central Board at any time and the Governor shall forthwith convene a meeting accordingly.

(3) The Governor, or in his absence the Deputy Governor authorized by the Governor under the proviso to sub-section (3) of section 8 to vote for him, shall preside at meetings of the Central Board, and, in the event of an equality of votes, shall have a second or casting vote.

General meetings.

14. (1) A general meeting (hereinafter in this Act referred to as the annual general meeting) shall be held annually at a place where there is an office of the Bank within six weeks from the date on which the annual accounts of the Bank are closed, and a general meeting may be convened by the Central Board at any other time:

Provided that the annual general meeting shall not be held on two consecutive occasions at any one place.

(2) The shareholders present at a general meeting shall be entitled to discuss the annual accounts, the report of the Central Board on the working of the Bank throughout the year and the auditors' report on the annual balance-sheet and accounts.

(3) Every shareholder shall be entitled to attend at any general meeting and each shareholder who has been registered on any register, for a period of not less than six months ending with the date of the meeting, as holding five or more shares shall have one vote and on a poll being demanded each shareholder so registered shall have one vote for each five shares, but subject to a maximum of ten votes and such votes may be exercised by proxy appointed on each occasion for that purpose, such proxy being himself a shareholder entitled to vote at the election and not being an officer or employee of the Bank.

First constitution of the Central Board.

15. (1) The following provisions shall apply to the first constitution of the Central Board, and, notwithstanding anything contained in section 8, the Central Board as constituted in accordance therewith shall be deemed to be duly constituted in accordance with this Act.

(2) The first Governor and the first Deputy Governor or Deputy Governors shall be appointed by the Governor General in Council on his own initiative, and shall receive such salaries and allowances as he may determine.

(3) The first eight Directors representing the shareholders on the various registers shall be nominated by the Governor General in Council from the areas served respectively by those registers, and the Directors so nominated shall hold office until their successors shall have been duly elected as provided in sub-section (4).

(4) On the expiry of each successive period of twelve months after the nomination of Directors under sub-section (3) two Directors shall be elected in the manner provided in section 9 until all the Directors so nominated have been replaced by elected Directors holding office in accordance with section 8. The register in respect of which the election is to be held shall be selected by lot from among the registers still represented by nominated Directors, and for the purposes of such lot the Madras and Rangoon registers shall be treated as if they comprised one register only.

First constitution of Local Boards.

16. As soon as may be after the commencement of this Act, the Central Board shall direct elections to be held and may make nominations, in order to constitute Local Boards in accordance with the provisions of section 9, and the members of such Local Boards shall hold office up to the date fixed under sub-section (6) of section 9, but shall not exercise any right under sub-section (7) of that section.

Business which the Bank may transact.

17. The Bank shall be authorized to carry on and transact the several kinds of business hereinafter specified namely:—

(1) the accepting of money on deposit without interest from, and the collection of money for, the Secretary of State in Council, the Governor General in Council, Local Governments, States in India, local authorities, banks and any other persons ;

(2) (*a*) the purchase, sale and rediscount of bills of exchange and promissory notes, drawn on and payable in India and arising out of *bona fide* commercial or trade transactions bearing two or more good signatures, one of which shall be that of a scheduled bank, and maturing within ninety days from the date of such bank, and maturing within ninety days from the date of such purchase or rediscount, exclusive of days of grace ;

(*b*) the purchase, sale and rediscount of bills of exchange and promissory notes, drawn and payable in India and bearing two or more good signatures, one of which shall be that of a scheduled bank, or a provincial co-operative bank, and drawn or issued for the purpose of financing seasonal agricultural operations or the marketing of crops, and maturing within nine months from the date of such purchase or rediscount, exclusive of days of grace ;

(*c*) the purchase, sale and rediscount of bills of exchange and promissory notes drawn and payable in India and bearing the signature of a scheduled bank, and issued or drawn for the purpose of holding or trading in securities of the Government of India or a Local Government, or such securities of States in India as may be specified in this behalf by the Governor General in Council on the recommendation of the Central Board, and maturing within ninety days from the date of such purchase or rediscount, exclusive of days of grace ;

(3) (*a*) the purchase from and sale to scheduled banks of sterling in amounts of not less than the equivalent of one lakh of rupees ;

(*b*) the purchase, sale and rediscount of bills of exchange (including treasury bills) drawn in or on any place in the United Kingdom and maturing within ninety days from the date of purchase, provided that no such purchase, sale or rediscount shall be made in India except with a scheduled bank ; and

(*c*) the keeping of balances with banks in the United Kingdom ;

(4) the making to States in India, local authorities, scheduled banks and provincial co-operative banks of loans and advances repayable on demand or on the expiry of fixed periods not exceeding ninety days, against the security of—

(*a*) stocks, funds and securities (other than immovable property) in which a trustee is authorized to invest trust money by any Act of Parliament or by any law for the time being in force in British India ;

(*b*) gold or silver or documents of title to the same ;

(*c*) such bills of exchange and promissory notes as are eligible for purchase or rediscount by the Bank ;

(*d*) promissory notes of any scheduled bank or a provincial co-operative bank, supported by documents of title to goods which have been transferred, assigned, or pledged to any such bank as security for a cash credit or overdraft granted for *bona fide* commercial or trade transactions, or for the purpose of financing seasonal agricultural operations or the marketing of crops ;

(5) the making to the Governor General in Council and to such Local Governments as may have the custody

and management of their own provincial revenues of advances repayable in each case not later than three months from the date of the making of the advance ;

(6) the issue of demand drafts made payable at its own offices or agencies and the making issue and circulation of bank post bills ;

(7) the purchase and sale of Government securities of the United Kingdom maturing within ten years from the date of such purchase ;

(8) the purchase and sale of securities of the Government of India or of a Local Government of any maturity or of such securities of a local authority in British India or of such States in India as may be specified in this behalf by the Governor General in Council on the recommendation of the Central Board :

Provided that securities fully guaranteed as to principal and interest by the Government of India, a Local Government, a local authority or a State in India shall be deemed for the purposes of this clause to be securities of such Government, authority or State :

Provided further that the amount of such securities held at any time in the Banking Department shall be so regulated that—

(*a*) the total value of such securities shall not exceed the aggregate amount of the share capital of the Bank, the Reserve Fund and three-fifths of the liabilities of the Banking Department in respect of deposits ;

(*b*) the value of such securities maturing after one year shall not exceed the aggregate amount of the share capital of the Bank, the Reserve Fund and two-fifths of the liabilities of the Banking Department in respect of deposits ; and

(*c*) the value of such securities maturing after ten years shall not exceed the aggregate amount of the share capital of the Bank and the Reserve Fund and one-fifth of the liabilities of the Banking Department in respect of deposits ;

(9) the custody of monies, securities and other articles of value, and the collection of the proceeds, whether principal, interest or dividends, of any such securities,

(10) the sale and realisation of all property, whether movable or immovable, which may in any way come into the possession of the Bank in satisfaction, or part satisfaction, of any of its claims ;

(11) the acting as agent for the Secretary of State in Council, the Governor General in Council or any Local Government or local authority or State in India in the transaction of any of the following kinds of business, namely :—

(*a*) the purchase and sale of gold or silver ;

(*b*) the purchase, the sale, transfer and custody of bills of exchange, securities or shares in any company ;

(*c*) the collection of the proceeds, whether principal, interest or dividends, of any securities or shares ;

(*d*) the remittance of such proceeds, at the risk of the principal, by bills of exchange payable either in India or elsewhere ;

(*e*) the management of public debt ;

(12) the purchase and sale of gold coin and bullion ;

(13) the opening of an account with or the making of an agency agreement with, and the acting as agent or correspondent of, a bank which is the principal currency authority of any country under the law for the time being in force in that

country or any international bank formed by such banks, and the investing of the funds of the Bank in the shares of any such international bank;

(14) the borrowing of money for a period not exceeding one month for the purposes of the business of the Bank, and the giving of security for money so borrowed:

Provided that no money shall be borrowed under this clause from any person in India other than a scheduled bank, or from any person outside India other than a bank which is the principal currency authority of any country under the law for the time being in force in that country:

Provided further that the total amount of such borrowings from persons in India shall not at any time exceed the amount of the share capital of the Bank;

(15) the making and issue of bank notes subject to the provisions of this Act; and

(16) generally, the doing of all such matters and things as may be incidental to or consequential upon the exercise of its powers or the discharge of its duties under this Act.

Power of direct discount.

18. When, in the opinion of the Central Board or, where the powers and functions of the Central Board under this section have been delegated to a committee of the Central Board or to the Governor, in the opinion of such committee or of the Governor as the case may be, a special occasion has arisen making if necessary or expedient that action should be taken under this section for the purpose of regulating credit in the interests of Indian trade, commerce, industry and agriculture, the Bank may, notwithstanding any limitation

contained in sub-clauses (*a*) and (*b*) of clause (2) or sub-clause (*a*) or (*b*) of clause (3) or clause (4) of section 17,—

(1) purchase, sell or discount any of the bills of exchange or promissory notes specified in sub-clause (*a*) or (*b*) of clause (2) or sub-clause (*b*) of clause (3) of that section though such bill or promissory note does not bear the signature of a scheduled bank or a provincial co-operative bank ; or

(2) purchase or sell sterling in amounts of not less than the equivalent of one lakh of rupees ; or

(3) make loans or advances repayable on demand or on the expiry of fixed periods not exceeding ninety days against the various forms of security specified in clause (4) of that section :

Provided that a committee of the Board or the Governor shall not, save in cases of special urgency, authorize action under this section without prior consultation with the Central Board and that in all cases action so authorized shall be reported to the members of the Central Board forthwith.

Business which the Bank may not transact.

19. Save as otherwise provided in sections 17, 18 and 45, the Bank may not—

(1) engage in trade or otherwise have a direct interest in any commercial, industrial, or other undertaking, except such interest as it may in any way acquire in the course of the satisfaction of any of its claims : provided that all such interests shall be disposed of at the earliest possible moment ;

(2) purchase its own shares or the shares of any other bank or of any company, or grant loans upon the security of any such shares ;

(3) advance money on mortgage of, or otherwise on the security of, immovable property or documents of title relating

thereto, or become the owner of immovable property, except so far as is necessary for its own business premises and residences for its officers and servants ;

(4) make loans or advances ;

(5) draw or accept bills payable otherwise than on demand ;

(6) allow interest on deposits or current accounts.

CHAPTER III.

Central Banking Functions.

Obligation of the Bank to transact Government business.

20. The Bank shall undertake to accept monies for account of the Secretary of State in Council and the Governor-General in Council and such Local Governments as may have the custody and management of their own provincial revenues and such States in India as may be approved of and notified by the Governor-General in Council in the Gazette of India, and to make payments up to the amount standing to the credit of their accounts respectively, and to carry out their exchange, remittance and other banking operations, including the management of the public debt.

Bank to have the right to transact Government business in India.

21. (1) The Governor-General in Council and such Local Governments as may have the custody and management of their own provincial revenues shall entrust the Bank, on such conditions as may be agreed upon, with all their money, remittance, exchange and banking transactions in India and, in particular, shall deposit free of interest all their cash balances with the Bank :

Provided that nothing in this sub-section shall prevent the Governor-General in Council or any Local Government

from carrying on money transactions at places where the Bank has no branches or agencies, and the Governor-General in Council and Local Governments may hold at such places such balances as they may require.

(2) The Governor-General in Council and each Local Government shall entrust the Bank, on such conditions as may be agreed upon, with the management of the public debt and with the issue of any new loans.

(3) In the event of any failure to reach agreement on the conditions referred to in this section the Governor-General in Council shall decide what the conditions shall be.

(4) Any agreement made under this section to which the Governor-General in Council or any Local Government is a party shall be laid, as soon as may be after it is made, before the Central Legislature and in the case of a Local Government before its local Legislature also.

Right to issue bank notes.

22. (1) The Bank shall have the sole right to issue bank notes in British India, and may, for a period which shall be fixed by the Governor-General in Council on the recommendation of the Central Board, issue currency notes of the Government of India supplied to it by the Governor-General in Council, and the provisions of this Act applicable to bank notes shall, unless a contrary intention appears, apply to all currency notes of the Government of India issued either by the Governor-General in Council or by the Bank in like manner as if such currency notes were bank notes and references in this Act to bank notes shall be construed accordingly.

(2) On and from the date on which this Chapter comes into force the Governor-General in Council shall not issue any currency notes.

Issue Department.

23. (1) The issue of bank notes shall be conducted by the Bank in an Issue Department which shall be separated and kept wholly distinct from the Banking Department, and the assets of the Issue Department shall not be subject to any liability other than the liabilities of the Issue Department as hereinafter defined in section 34.

(2) The Issue Department shall not issue bank notes to the Banking Department or to any other person except in exchange for other bank notes or for such coin, bullion or securities as are permitted by this Act to form part of the Reserve.

Denominations of notes.

24. Bank notes shall be of the denominational values of five rupees, ten rupees, fifty rupees, one hundred rupees, five hundred rupees, one thousand rupees and ten thousand rupees, unless otherwise directed by the Governor-General in Council on the recommendation of the Central Board.

Form of Bank notes.

25. The design, form and material of bank notes shall be such as may be approved by the Governor-General in Council after consideration of the recommendations made by the Central Board.

Legal tender character of notes.

26. (1) Subject to the provisions of sub-section (2), every bank note shall be legal tender at any place in British India in payment or on account for the amount expressed therein, and shall be guaranteed by the Governor-General in Council.

(2) On recommendation of the Central Board the Governor-General in Council may, by notification in the Gazette of India, declare that, with effect from such date as

may be specified in the notification, any series of bank notes of any denomination shall cease to be legal tender save at an office or agency of the Bank.

Re-issue of notes.

27. The Bank shall not re-issue bank notes which are torn, defaced or excessively soiled.

Recovery of notes lost, stolen, mutilated or imperfect.

28. Notwithstanding anything contained in any enactment or rule of law to the contrary, no person shall of right be entitled to recover from the Governor-General in Council or the Bank the value of any lost, stolen, mutilated or imperfect currency note of the Government of India or bank note:

Provided that the Bank may, with the previous sanction of the Governor-General in Council prescribe the circumstances in and the conditions and limitations subject to which the value of such currency notes or bank notes may be refunded as of grace and the rules made under this proviso shall be laid on the table of both Houses of the Central Legislature.

II of 1899.

Bank exempt from stamp duty on bank notes.

29. The Bank shall not be liable to the payment of any stamp duty under the Indian Stamp Act, 1899, in respect of bank notes issued by it.

Powers of Governor-General in Council to supersede Central Board.

30. (1) If in the opinion of the Governor-General in Council the Bank fails to carry out any of the obligations imposed on it by or under this Act, he may, by notification in the Gazette of India, declare the Central Board to be superseded, and thereafter the general superintendence and direction of the affairs of the Bank shall be entrusted to such agency as the Governor General in Council may determine, and such agency may exercise the powers and do all acts and things which may be exercised or done by the Central Board under this Act.

(2) When action is taken under this section the Governor General in Council shall cause a full report of the circumstances leading to such action and of the action taken to be laid before the Central Legislature at the earliest possible opportunity and in any case within three months from the issue of the notification superseding the Board.

Issue of demand bills and notes.

31. No person in British India other than the Bank or, as expressly authorized by this Act, the Governor-General in Council shall draw, accept, make or issue any bill of exchange, hundi, promissory note or engagement for the payment of money payable to bearer on demand, or borrow, owe or take up any sum or sums of money on the bills, hundis or notes payable to bearer on demand of any such person:

Provided that cheques or drafts, including hundis, payable to bearer on demand or otherwise may be drawn on a person's account with a banker, shroff or agent.

Penalty.

32. (1) Any person contravening the provisions of section 31 shall be punishable with fine which may extend to the amount of the bill, hundi, note or engagement in respect whereof the offence is committed.

(2) No prosecution under this section shall be instituted except on complaint made by the Bank.

Assets of the Issue Department.

33. (1) The assets of the Issue Department shall consist of gold coin, gold bullion, sterling securities, rupee coin and rupee securities to such aggregate amount as is not less than the total of the liabilities of the Issue Department as hereinafter defined.

(2) Of the total amount of the assets, not less than two-fifths shall consist of gold coin, gold bullion or sterling securities:

Provided that the amount of gold coin and gold bullion shall not at any time be less than forty crores of rupees in value.

(3) The remainder of the assets shall be held in rupee coin, Government of India rupee securities of any maturity and such bills of exchange and promissory notes payable in British India as are eligible for purchase by the Bank under sub-clause (*a*) or sub-clause (*b*) of clause (2) of section 17 or under clause (1) of section 18 :

Provided that the amount held in Government of India rupee securities shall not at any time exceed one-fourth of the total amount of the assets or fifty crores of rupees, whichever amount is greater, or, with the previous sanction of the Governor-General in Council, such amount plus a sum of ten crores of rupees.

(4) For the purposes of this section, gold coin and gold bullion shall be valued at 8.47512 grains of fine gold per rupee, rupee coin shall be valued at its face value, and securities shall be valued at the market rate for the time being obtaining.

(5) Of the gold coin and gold bullion held as assets, not less than seventeen-twentieths shall be held in British India, and all gold coin and gold bullion held as assets shall be held in the custody of the Bank or its agencies :

Provided that gold belonging to the Bank which is in any other bank or in any mint or treasury or in transit may be reckoned as part of the assets.

(6) For the purposes of this section, the sterling securities which may be held as part of the assets shall be securities of any of the following kinds payable in the currency of the United Kingdom, namely : —

(*a*) balances at the credit of the Issue Department with the Bank of England ;

(*b*) bills of exchange bearing two or more good signatures and drawn on and payable at any place in the United Kingdom and having a maturity not exceeding ninety days;

(*c*) Government securities of the United Kingdom maturing within five years;

Provided that, for a period of two years from the date on which this Chapter comes into force any of such last mentioned securities may be securities maturing after five years, and the Bank may, at any time before the expiry of that period, dispose of such securities notwithstanding anything contained in section 17.

Liabilities of the Issue Department.

34. (1) The liabilities of the Issue Department shall be an amount equal to the total of the amount of the currency notes of the Government of India and bank notes for the time being in circulation.

(2) For the purposes of this section, any currency note of the Government of India or bank note which has not been presented for payment within forty years from the 1st day of April following the date of its issue shall be deemed not to be in circulation, and the value thereof shall, notwithstanding anything contained in sub-section (2) of section 23, be paid by the Issue Department to the Governor-General in Council or the Banking Department, as the case may be; but any such note, if subsequently presented for payment, shall be paid by the Banking Department, and any such payment in the case of a currency note of the Government of India shall be debited to the Governor-General in Council.

Initial assets and liabilities.

35. On the date on which this Chapter comes into force the Issue Department shall take over from the Governor-General in Council the liability for all the currency notes of the Government of India for the time being in circulation and the

Governor-General in Council shall transfer to the Issue Department gold coin, gold bullion, sterling securities, rupee coin and rupee securities to such aggregate amount as is equal to the total of the amount of the liability so transferred. The coin, bullion and securities shall be transferred in such proportion as to comply with the requirements of section 33 :

Provided that the total amount of the gold coin, gold bullion and sterling securities so transferred shall not be less than one-half of the whole amount transferred, and that the amount of rupee coin so transferred shall not exceed fifty crores of rupees :

Provided further that the whole of the gold coin and gold bullion held by the Governor-General in Council in the gold standard reserve and the paper currency reserve at the time of transfer shall be so transferred.

Method of dealing with fluctuations in rupee coin assets.

36. (1) After the close of any financial year in which the minimum amount of rupee coin held in the assets, as shown in any of the weekly accounts of the Issue Department for that year prescribed under sub-section (1) of section 53, is greater than fifty crores of rupees or one-sixth of the total amount of the assets as shown in that account, whichever may be the greater, the Bank may deliver to the Governor-General in Council rupee coin up to the amount of such excess but not without his consent exceeding five crores of rupees, against payment of legal tender value in the form of bank notes, gold or securities :

Provided that if the Bank so desires and if the amount of gold coin, gold bullion and sterling securities in the assets does not at that time exceed one-half of the total assets, a proportion not exceeding two-fifths of such payment shall be

in gold coin, gold bullion or such sterling securities as may be held as part of the assets under sub-section (6) of section 33.

(2) After the close of any financial year in which the maximum amount of rupee coin held in the assets, as so shown, is less than fifty crores of rupees or one-sixth of the total amount of the assets, as so shown, whichever may be the greater the Governor-General in Council shall deliver to the Bank rupee coin up to the amount of such deficiency, but not without its consent exceeding five crores of rupees, against payment of legal tender value.

Suspension of assets requirement.

37. (1) Notwithstanding anything contained in the foregoing provisions, the Bank may, with the previous sanction of the Governor-General in Council, for periods not exceeding thirty days in the first instance, which may, with the like sanction, be extended from time to time by periods not exceeding fifteen days, hold as assets gold coin, gold bullion or sterling securities of less aggregate amount than that required by sub-section (2) of section 33 and, whilst the holding is so reduced, the proviso to that sub-section shall cease to be operative:

Provided that the gold coin and gold bullion held as such assets shall not be reduced below the amount specified in the proviso to sub-section (2) of section 33 so long as any sterling securities remain held as such assets.

(2) In respect of any period during which the holding of gold coin, gold bullion and sterling securities is reduced under sub-section (1), the Bank shall pay to the Governor-General in Council a tax upon the amount by which such holding is reduced below the minimum prescribed by sub-section (2) of section 33; and such tax shall be payable at the bank rate for the time being in force, with an addition of one

per cent. per annum when such holding exceeds thirty-two and a half per cent. of the total amount of the assets and of a further one and a half per cent. per annum in respect of every further decrease of two and a half per cent. or part of such decrease :

Provided that the tax shall not in any event be payable at a rate less than six per cent. per annum.

Obligations of Government and the Bank in respect of rupee coin.

38. The Governor-General in Council shall undertake not to re-issue any rupee coin delivered under section 36 nor to put into circulation any rupees, except through the Bank and as provided in that section ; and the Bank shall undertake not to dispose of rupee coin otherwise than for the purposes of circulation or by delivery to the Governor-General in Council under that section.

Obligation to supply different forms of currency.

39. (1) The Bank shall issue rupee coin on demand in exchange for bank notes and currency notes of the Government of India, and shall issue currency notes or bank notes on demand in exchange for coin which is legal tender under the Indian Coinage Act, 1906.

III of 1906.

(2) The Bank shall, in exchange for currency notes or bank notes of five rupees or upwards, supply currency notes or bank notes of lower value or other coins which are legal tender under the Indian Coinage Act, 1906, in such quantities as may, in the opinion of the Bank, be required for circulation ; and the Governor-General in Council shall supply such coins to the Bank on demand. If the Governor-General in Council at any time fails to supply such coins, the Bank shall be released from its obligations to supply them to the public.

III of 1906.

Obligation to sell sterling.

40. The Bank shall sell, to any person who makes a demand in that behalf at its office in Bombay, Calcutta, Delhi, Madras or Rangoon and pays the purchase price in legal tender currency, sterling for immediate delivery in London, at a

rate not below one shilling and five pence and forty-nine sixty-fourths of a penny for a rupee :

Provided that no person shall be entitled to demand to buy an amount of sterling less than ten thousand pounds.

Obligation to buy sterling.

41. The Bank shall buy, from any person who makes a demand in that behalf at its office in Bombay, Calcutta, Delhi, Madras or Rangoon, sterling for immediate delivery in London, at a rate not higher than one shilling and six pence and three-sixteenths of a penny for a rupee :

Provided that no person shall be entitled to demand to sell an amount of sterling less than ten thousand pounds :

Provided further that no person shall be entitled to receive payment unless the Bank is satisfied that payment of the sterling in London has been made.

Cash reserves of scheduled banks to be kept with the Bank.

42. (1) Every bank included in the Second Schedule shall maintain with the Bank a balance the amount of which shall not at the close of business on any day be less than five per cent. of the demand liabilities and two per cent. of the time liabilities of such bank in India as shown in the return referred to in sub-section (2).

Explanation.—For the purposes of this section liabilities shall not include the paid-up capital or the reserves, or any credit balance in the profit and loss account of the bank or the amount of any loan taken from the Reserve Bank.

(2) Every scheduled bank shall send to the Governor-General in Council and to the Bank a return signed by two responsible officers of such bank showing—

(*a*) the amounts of its demand and time liabilities, respectively, in India,

(*b*) the total amount held in India in currency notes of the Government of India and bank notes,

(*c*) the amounts held in India in rupee coin and subsidiary coin, respectively,

(*d*) the amounts of advances made and of bills discounted in India, respectively, and

(*e*) the balance held at the Bank,

XXVI of 1881. at the close of business on each Friday, or if Friday is a public holiday under the Negotiable Instruments Act, 1881, at the close of business on the preceding working day ; and such return shall be sent not later than two working days after the date to which it relates :

Provided that where the Bank is satisfied that the furnishing of a weekly return under this sub-section is impracticable in the case of any scheduled bank by reason of the geographical position of the bank and its branches, the Bank may require such bank to furnish in lieu of a weekly return a monthly return to be dispatched not later than fourteen days after the end of the month to which it relates giving the details specified in this sub-section in respect of such bank at the close of business for the month.

(3) If at the close of business on any day before the day fixed for the next return, the balance held at the Bank by any scheduled bank is below the minimum prescribed in sub-section (1), such scheduled bank shall be liable to pay to the Bank in respect of each such day penal interest at a rate three per cent. above the bank rate on the amount by which the balance with the Bank falls short of the prescribed minimum, and if on the day fixed for the next return such balance is still below the prescribed minimum as disclosed by this return, the rates of penal interest shall be increased to a rate five per cent. above the bank rate in respect of that day and each subsequent

day on which the balance held at the Bank at the close of business on that day is below the prescribed minimum.

(4) Any scheduled bank failing to comply with the provisions of sub-section (2) shall be liable to pay to the Governor-General in Council or to the Bank, as the case may be, or to each, a penalty of one hundred rupees for each day during which the failure continues.

(5) The penalties imposed by sub-sections (3) and (4) shall be payable on demand made by the Bank, and, in the event of a refusal by the defaulting bank to pay on such demand, may be levied by a direction of the principal Civil Court having jurisdiction in the area where an office of the defaulting bank is situated, such direction to be made only upon application made in this behalf to the Court by the Governor General in Council in the case of a failure to make a return under sub-section (2) to the Governor General in Council, or by the Bank with the previous sanction of the Governor General in Council in other cases.

(6) The Governor General in Council shall, by notification in the Gazette of India, direct the inclusion in the Second Schedule of any bank not already so included which carries on the business of banking in British India and which—

(*a*) has a paid-up capital and reserves of an aggregate value of not less than five lakhs of rupees, and

(*b*) is a company as defined in clause (2) of section 2 of the Indian Companies Act, 1913, or a corporation or a company incorporated by or under any law in force in any place outside British India, VII of 1913.

and shall by a like notification direct the exclusion from that Schedule of any scheduled bank the aggregate value of whose paid-up capital and reserve becomes at any time less than five lakhs of rupees, or which goes into liquidation or otherwise ceases to carry on banking business.

Publication of consolidated statement by the Bank.

43. The Bank shall compile and shall cause to be published each week a consolidated statement showing the aggregate of the amounts under each clause of sub-section (2) of section 42 exhibited in the returns received from scheduled banks under that section.

Power to require returns from co-operative banks.

44. The Bank may require any provincial co-operative bank with which it has any transactions under section 17 to furnish the return referred to in sub-section (2) of section 42, and if it does so the provisions of sub-sections (4) and (5) of section 42 shall apply so far as may be to such co-operative bank as if it were a scheduled bank.

Agreement with the Imperial Bank.

45. (1) The Bank shall enter into an agreement with the Imperial Bank of India which shall be subject to the approval of the Governor General in Council, and shall be expressed to come into force on the date on which this Chapter comes into force and to remain in force for fifteen years and thereafter until terminated after five years' notice on either side, and shall further contain the provisions set forth in the Third Schedule :

Provided that the agreement shall be conditional on the maintenance of a sound financial position by the Imperial Bank and that if, in the opinion of the Central Board, the Imperial Bank has failed either to fulfil the conditions of the agreement or to maintain a sound financial position, the Central Board shall make a recommendation to the Governor General in Council, and the Governor General in Council, after making such further enquiry as he thinks fit, may issue instructions to the Imperial Bank with reference either to the agreement or to any matter which in his opinion involves

the security of the Government monies or the assets of the Issue Department in the custody of the Imperial Bank, and in the event of the Imperial Bank disregarding such instructions may declare the agreement to be terminated.

(2) The agreement referred to in sub-section (1) shall, as soon as may be after it is made, be laid before the Central Legislature.

CHAPTER IV.

General Provisions.

Contribution by Governor General in Council to the Reserve Fund.

46. The Governor General in Council shall transfer to the Bank rupee securities of the value of five crores of rupees to be allocated by the Bank to the Reserve Fund.

Allocation of surplus.

47. After making provision for bad and doubtful debts, depreciation in assets, contributions to staff and superannuation funds, and such other contingencies as are usually provided for by bankers, and after payment out of the net annual profits of a cumulative dividend at such rate not exceeding five per cent. per annum on the share capital as the Governor General in Council may fix at the time of the issue of shares, a portion of the surplus shall be allocated to the payment of an additional dividend to the shareholders calculated on the scale set forth in the Fourth Schedule and the balance of the surplus shall be paid to the Governor General in Council :

Provided that if at any time the Reserve Fund is less than the share capital, not less than fifty lakhs of rupees of the surplus, or the whole of the surplus if less than that amount, shall be allocated to the Reserve Fund.

XI of 1922.

Exemption of Bank from income-tax and super-tax and provision for deduction at source of income-tax on dividends.

48. (1) Notwithstanding anything contained in the Indian Income-tax Act, 1922, or any other enactment for the time being in force relating to income-tax or super-tax, the Bank shall not be liable to pay income-tax or super-tax on any of its income, profits or gains :

Provided that nothing in this section shall affect the liability of any shareholder in respect of income-tax or super-tax.

XI of 1922.

(2) For the purposes of section 18 of the Indian Income-tax Act, 1922, and of any other relevant provision of that Act relating to the levy and refund of income-tax any dividend paid under section 47 of this Act shall be deemed to be " Interest on Securities."

Publication of bank rate.

49. The Bank shall make public from time to time the standard rate at which it is prepared to buy or re-discount bills of exchange or other commercial paper eligible for purchase under this Act.

Auditors.

50. (1) Not less than two auditors shall be elected and their remuneration fixed at the annual general meeting. The auditors may be shareholders, but no Director or other officer of the Bank shall be eligible during his continuance in office. Any auditor shall be eligible for re-election on quitting office.

(2) The first auditors of the Bank may be appointed by the Central Board before the first annual general meeting and, if so appointed, shall hold office only until that meeting All auditors elected under this section shall severally be, and continue to act as, auditors until the first annual general meeting after their respective elections :

Provided that any casual vacancy in the office of any auditor elected under this section may be filled by the Central Board.

Appointment of special auditors by Government.

51. Without prejudice to anything contained in section 50, the Governor General in Council may at any time appoint the Auditor General or such auditors as he thinks fit to examine and report upon the accounts of the Bank.

Powers and duties of auditors.

52. (1) Every auditor shall be supplied with a copy of the annual balance-sheet, and it shall be his duty to examine the same, together with the accounts and vouchers relating thereto; and every auditor shall have a list delivered to him of all books kept by the Bank, and shall at all reasonable times have access to the books, accounts and other documents of the Bank, and may, at the expense of the Bank if appointed by it or at the expense of the Governor General in Council if appointed by him, employ accountants or other persons to assist him in investigating such accounts, and may, in relation to such accounts, examine any Director or officer of the Banks.

(2) The auditors shall make a report to the shareholders or to the Governor General in Council as the case may be, upon the annual balance-sheet and accounts, and in every such report they shall state whether, in their opinion, the balance-sheet is a full and fair balance-sheet containing all necessary particulars and properly drawn up so as to exhibit a true and correct view of the state of the Bank's affairs, and, in case they have called for any explanation or information from the Central Board, whether it has been given and whether it is satisfactory. Any such report made to the shareholders shall be read together with the report of the Central Board, at the annual general meeting.

Returns.

53. (1) The Bank shall prepare and transmit to the Governor General in Council a weekly account of the Issue Department and of the Banking Department in the form set out in the Fifth Schedule or in such other form as the Governor General in Council may, by notification in the Gazette of India, prescribe. The Governor General in Council shall cause these accounts to be published weekly in the Gazette of India.

(2) The Bank shall also, within two months from the date on which the annual accounts of the Bank are closed, transmit to the Governor General in Council a copy of the annual accounts signed by the Governor, the Deputy Governors and the Chief Accounting Officer of the Bank, and certified by the auditors, together with a report by the Central Board on the working of the Bank throughout the year, and the Governor General in Council shall cause such accounts and report to be published in the Gazette of India.

(3) The Bank shall also, within two months from the date on which the annual accounts of the Bank are closed, transmit to the Governor General in Council a statement showing the name, address and occupation of and the number of shares held by, each shareholder of the Bank.

Agricultural Credit Department.

54. The Bank shall create a special Agricultural Credit Department the functions of which shall be—

(*a*) to maintain an expert staff to study all questions of agricultural credit and be available for consultation by the Governor General in Council, Local Governments, provincial co-operative banks, and other banking organisations,

(*b*) to co-ordinate the operations of the Bank in connection with agricultural credit and its relations with

provincial co-operative banks and any other banks or organisations engaged in the business of agricultural credit.

Reports by the Bank.

55. (1) The Bank shall, at the earliest practicable date and in any case within three years from the date on which this Chapter comes into force, make to the Governor General in Council a report, with proposals, if it thinks fit, for legislation, on the following matters, namely :—

(*a*) the extension of the provisions of this Act relating to scheduled banks to persons and firms, not being scheduled banks, engaged in British India in the business of banking, and

(*b*) the improvement of the machinery for dealing with agricultural finance and methods for effecting a closer connection between agricultural enterprise and the operations of the Bank.

(2) When the Bank is of opinion that the international monetary position has become sufficiently clear and stable to make it possible to determine what will be suitable as a permanent basis for the Indian monetary system and to frame permanent measures for a monetary standard it shall report its views to the Governor General in Council.

Power to require declaration as to ownership of registered shares.

56. (1) The Local Board of any area may at any time require any shareholder who is registered on the register for that area to furnish to the Local Board within a specified time not being less than thirty days, a declaration, in such form as the Central Board may by regulations prescribe, giving particulars of all shares on the said register of which he is the owner.

(2) If it appears from such declaration that any shareholder is not the owner of any shares which are registered in his name, the Local Board may amend the register accordingly.

(3) If any person required to make a declaration under sub-section (1) fails to make such declaration within the specified time, the Local Board may make an entry against his name in the register recording such failure and directing that he shall have no right to vote, either under section 9 or section 14, by reason of the shares registered in his name on that register.

(4) Whoever makes a false statement in any declaration furnished by him under sub-section (1) shall be deemed to have committed the offence of giving false evidence defined in section 191 of the Indian Penal Code, and shall be punishable under the second paragraph of section 193 of that Code.

XLV of 1860.

(5) Nothing contained in any declaration furnished under sub-section (1) shall operate to affect the Bank with notice of any trust, and no notice of any trust expressed, implied or constructive shall be entered on the register or be receivable by the Bank.

(6) Until Local Boards have been constituted under section 9 the powers of a Local Board under this section shall be exercised by the Central Board in respect of any area for which a Local Board has not been constituted.

VII of 1913.

57. (1) Nothing in the Indian Companies Act, 1913, shall apply to the Bank, and the Bank shall not be placed in liquidation save by order of the Governor General in Council and in such manner as he may direct.

Liquidation of the Bank.

(2) In such event the Reserve Fund and surplus assets, if any, of the Bank shall be divided between the Governor General in Council and the shareholders in the proportion of seventy-five per cent. and twenty-five per cent., respectively :

Provided that the total amount payable to any shareholder under this section shall not exceed the paid-up value

of the shares held by him by more than one per cent. for each year after the commencement of this Act subject to a maximum of twenty-five per cent.

Central Board to make regulations.

58. (1) The Central Board may, with the previous sanction of the Governor General in Council, make regulations consistent with this Act to provide for all matters for which provision is necessary or convenient for the purpose of giving effect to the provisions of this Act.

(2) In particular and without prejudice to the generality of the foregoing provision, such regulations may provide for all or any of the following matters, namely :—

(*a*) the holding and conduct of elections under this Act, including provisions for the holding of any elections according to the principle of proportional representation by means of the single transferable vote ;

(*b*) the final decision of doubts or disputes regarding the qualifications of candidates for election or regarding the validity of elections :

(*c*) the maintenance of the share register, the manner in which and the conditions subject to which shares may be held and transferred, and, generally, all matters relating to the rights and duties of shareholders ;

(*d*) the manner in which general meetings shall be convened, the procedure to be followed thereat and the manner in which votes may be exercised ;

(*e*) the manner in which notices may be served on behalf of the Bank upon shareholders or other persons ;

(*f*) the manner in which the business of the Central Board shall be transacted, and the procedure to be followed at meetings thereof ;

(*g*) the conduct of business of Local Boards and the delegation to such Boards of powers and functions ;

(*h*) the delegation of powers and functions of the Central Board to the Governor, or to Deputy Governors, Directors or officers of the Bank ;

(*i*) the formation of Committees of the Central Board, the delegation of powers and functions of the Central Board to such Committees, and the conduct of business in such Committees ;

(*j*) the constitution and management of staff and superannuation funds for the officers and servants of the Bank ;

(*k*) the manner and form in which contracts binding on the Bank may be executed ;

(*l*) the provision of an official seal of the Bank and the manner and effect of its use ;

(*m*) the manner and form in which the balance-sheet of the Bank shall be drawn up, and in which the accounts shall be maintained ;

(*n*) the remuneration of Directors of the Bank ;

(*o*) the relations of the scheduled banks with the Bank and the returns to be submitted by the scheduled banks to the Bank ;

(*p*) the regulation of clearing-houses for the scheduled banks ;

(*q*) the circumstances in which, and the conditions and limitations subject to which, the value of any lost, stolen, mutilated or imperfect currency note of the Government of India or bank note may be refunded ; and

(*r*) generally for the efficient conduct of the business of the Bank.

(3) Copies of all regulations made under this section shall be available to the public on payment.

Amendment of Act III of 1906.

59. In the Indian Coinage Act, 1906 III of 1906. for section 11 the following section shall be substituted, namely :—

Demonetisation of sovereign and half-sovereign.

"11. Gold coins, coined at His Majesty's Royal Mint in England or at any mint established in pursuance of a proclamation of His Majesty as a branch of His Majesty's Royal Mint, shall not be legal tender in British India in payment or on account, but such coins shall be received by the Reserve Bank of India at its offices, branches and agencies in India at the bullion value of such coins calculated at the rate of 8.47512 grains troy of fine gold per rupee."

Repeals.

60. The Indian Paper Currency Act, 1923, the Indian Paper Currency (Amendment) Act, 1923, the Indian Paper Currency (Amendment) Act, 1925 and the Currency Act, 1927, are hereby repealed. X of 1923. XXXVI of 1923. II of 1925. IV of 1927.

Amendment of section 11, Act VII of 1913.

61. In sub-section (3) of section 11 of the Indian Companies Act, 1913, after the word "Royal" the words "Reserve Bank" shall be inserted. VII of 1913.

THE FIRST SCHEDULE.

(*See* Section 4.)

Areas served by the various Share Registers.

I. The WESTERN AREA, served by the BOMBAY Register shall consist of—

the Bombay Presidency including Sind, the Central Provinces, Berar, Hyderabad, Baroda, Khairpur, the Western India

States, the Central India State (including Makrai but excluding Rewah and other States of Bundelkhand and Baghelkhand), the Gujerat States, Kolhapur and the Deccan State.

II. The EASTERN AREA, served by the CALCUTTA Register shall consist of—

the Bengal Presidency, Bihar and Orissa, Assam, Sikkim, Manipur, Cooch-Behar, Tripura, the Eastern States Rewah and other States of Bundelkhand and Baghelkhand and the Khasi States.

III. The NORTHERN AREA, served by the DELHI Register, shall consist of—

the United Provinces, Delhi, the Punjab, the North West Frontier Province, Ajmer-Merwara, Baluchistan, Kashmir, the Punjab States excluding Khairpur, the Simla Hill States, Dujana, Pataudi, Kalsia, Rampur, Tehri-Garhwal, Benares, the Rajputana States including Palanpur and Danta, Gwalior, Khaniadhana, Kalat, Las Bela, Hunza, Nagir Amb, Chitral, Dir, Phulera and Swat.

IV The SOUTHERN AREA, served by the MADRAS Register shall consist of—

the Madras Presidency, Coorg, Mysore and the Madras States.

IV. The BURMA AREA, served by the RANGOON Register shall consist of—

Burma, the Andaman and Nicobar Islands, Bawlake, Kantarawadi, and Kyebogyi.

THE SECOND SCHEDULE.

[*See* Section 42 and Section 2 (*e*)]

Scheduled Banks.

Ajodhia Bank, Fyzabad.
Allahabad Bank.
American Express Company Incorporated.
Banco Nacional Ultramarino.
Bangalore Bank.
Bank of Baroda.
Bank of Behar.
Bank of Chettinad, Madras.
Bank of Hindustan, Madras.
Bank of India, Bombay.
Bank of Mysore.
Bank of Taiwan.
Bank of Upper Burma.
Benares Bank.
Bengal Central Bank.
Bhagwan Das & Co., Dehra Dun.
Canara Bank.
Central Bank of India.
Chartered Bank of India, Australia and China.
Comptoir National d'Escompte de Paris.
Eastern Bank.
Grindlay and Company.
Hongkong and Shanghai Banking Corporation.
Imperial Bank of India.
Imperial Bank of Persia.
Indian Bank, Madras.
Industrial Bank of Western India, Ahmedabad.
Jalpaiguri Banking and Trading Corporation.
Karnani Industrial Bank.
Lloyds Bank.
Mercantile Bank of India.
Mitsui Bank, Bombay.
Muffassil Bank, Gorakhpur.
National Bank of India.
National City Bank of New York.
Nederlandsche Indische Handelsbank.
Nedorlandsche Handel-Maatschappij.
Nedungadi Bank, Calicut.
Oudh Commercial Bank.
Peoples' Bank of Northern India.
P. and O. Banking Corporation.
Punjab and Sind Bank, Amritsar.
Punjab Co-operative Bank, Amritsar.
Punjab National Bank, Lahore.
Simla Banking and Industrial Company.
Thomas Cook & Sons.
Travancore National Bank, Tiruvalla.
Union Bank of India, Bombay.
U. Rai Gyaw Thoo and Co., Akyab.
Yokohama Specie Bank.

THE THIRD SCHEUDLE.

(*See* Section 45.)

Provisions to be contained in the Agreement between the Reserve Bank of India and the Imperial Bank of India.

1. The Imperial Bank of India shall be the sole agent of the Reserve Bank of India at all places in British India where there is a branch of the Imperial Bank of India which was in existence at the commencement of the Reserve Bank of India.

Act, 1934, and there is no branch of the Banking Department of the Reserve Bank of India.

2. In consideration of the performance at the places referred to in clause 1 by the Imperial Bank of India on behalf of the Reserve Bank of India of the functions which the Imperial Bank of India was performing on behalf of the Governor General in Council before the coming into force of the Reserve Bank of India Act, 1934, the Reserve Bank of India shall pay to the Imperial Bank of India as remuneration a sum which shall be for the first ten years during which this agreement is in force a commission calculated at one-sixteenth of one per cent, on the first 250 crores and one thirty second of one per cent. on the remainder of the total of the receipts and disbursements dealt with annually on account of Government by the Imperial Bank of India on behalf of the Reserve Bank of India. At the close of the said ten years the remuneration to be paid by the Reserve Bank of India to the Imperial Bank of India for the performance of these functions shall be revised and the remuneration for the ensuing five years shall be determined on the basis of the actual cost to the Imperial Bank of India, as ascertained by expert accounting investigation, of performing the said functions. The remuneration so determined shall thereafter be subject to revision in like manner at the end of each period of five years so long as this agreement remains in force. If any dispute arises between the Reserve Bank of India and the Imperial Bank of India as to the amount of the said remuneration the matter shall be referred for final decision to the Governor General in Council who may require from the Imperial Bank such information and may order such accounting investigation as he thinks fit.

3. In consideration of the maintenance by the Imperial Bank of India of branches not less in number than those

existing at the commencement of the Reserve Bank of India Act, 1934 the Reserve Bank of India shall, until the expiry of fifteen years from the coming into force of this agreement, make to the Imperial Bank of India the following payments, namely :—

(*a*) during the first five years of this agreement—nine lakhs of rupees per annum ;

(*b*) during the next five years of the agreement—six lakhs of rupees per annum ; and

(*c*) during the next five years of the agreement—four lakhs of rupees per annum.

4. The Imperial Bank of India shall not without the approval of the Reserve Bank of India open any branch in substitution for a branch existing at the time this agreement comes into force.

THE FOURTH SCHEDULE.

(*See* Section 47.)

Scale of additional dividend payable to shareholders.

A. If the maximum rate of dividend fixed under section 47 is five per centum and so long as the share capital of the Bank is five crores of rupees—

(1) if the surplus does not exceed four crores of rupees—*Nil*

(2) if the surplus exceeds four crores of rupees—

(*a*) out of such excess up to the first one and a half crores of rupees—a fraction equal to one-sixtieth ;

(*b*) out of each successive additional excess up to one and a half crores of rupees—one-half of the fraction payable out of the next previous one and a half crores of excess ;

Provided that the additional dividend shall be a multiple of one-eighth of one per cent. on the share capital, the amount of the surplus allocated thereto being rounded up or down to the nearest one-eighth of one per cent. on the share capital.

B. If the maximum rate of dividend fixed under section 47 is below five per centum, the said fraction of one sixtieth shall be increased in the ratio of the difference between six and the fixed rate to unity.

C. When the original share capital of the Bank has been increased or reduced, the said fraction of one-sixtieth shall be increased or diminished in proportion to the increase or reduction of the share capital.

THE FIFTH SCHEDULE.

(*See* Section 53.)

Reserve Bank of India.

An Account pursuant to the Reserve Bank of India Act, 1934, *for the week ending on the day of*

ISSUE DEPARTMENT.

Liabilities.	Rs.	*Assets.*	Rs.
Bank Notes held in the Banking Department		A. Gold coin and bullion—	
Bank Notes in circulation		(*a*) held in India ..	
Total Bank Notes issued ..		(*b*) held outside India	
Government of India Notes in circulation.		Sterling Securities ..	
		Total of A ..	
		B. Rupee coin	
		Government of India rupee securities ..	
		Internal bills of exchange and other commercial paper	
Total Liabilities ..		Total Assets ..	

Ratio of total of A to liabilities per cent

Dated the day of 19 .

BANKING DEPARTMENT

Liabilities.	Rs.	*Assets.*	Rs.
Capital paid up		Notes	
Reserve Fund		Rupee coin	
Deposits—		Subsidiary coin	
(*a*) Government ..		Bills discounted—	
(*b*) Banks		(*a*) Internal	
(*c*) Others		(*b*) External	
Bills payable		(*c*) Government of India Treasury Bills ..	
Other liabilities		Balances held abroad ..	
		Loans and advances to the Government	
		Other loans and advances ..	
		Investments	
		Other assets	

Dated the day of 19 .

IMPERIAL BANK OF INDIA (AMENDMENT) ACT.

ACT III OF 1934.

[PASSED BY THE INDIAN LEGISLATIVE.]

(*Received the assent of the Governor General on the 6th March* 1934.)

An Act further to amend the Imperial Bank of India, Act, 1929, for certain purposes.

Whereas by reason of the constitution of the Reserve Bank of India it is expedient further to amend the Imperial Bank of India Act, 1920, in order to modify the control of the Governor General in Council over the management of the Bank, to remove certain restrictions on the transactions of business by the Bank, and to provide for an agreement between the Bank and the Reserve Bank of India; It is hereby enacted as follows:— XLVII of 1920.

1. (1) This act may be called the Imperial Bank of India (Amendment) Act, 1934.

Short title and commencement.

(2) It shall come into force on such date as the Governor General in Council may, by notification in the Gazette of India, appoint.

XLVII of 1920.

2. After clause (*i*) of section 2 of the Imperial Bank of India Act, 1920 (hereinafter referred to as the said Act), the following clause shall be inserted, namely : —

Amendment of section 2, Act XLVII of 1920.

"(*ii*) 'secretary' and 'deputy secretary' mean, respectively, a secretary and treasurer and a deputy secretary and treasurer of the Bank."

3. Section 9 of the said Act is hereby repealed.

Repeal of section 9, Act XLVII of 1920.

4. (1) In sub-section (1) of section 10 of the said Act : —

Amendment of section 10, Act XLVII of 1920.

(*a*) for the words "the Secretary of State for India in Council" the words "the Reserve Bank of India" shall be substituted ;

(*b*) in clause (i), the words "to act as banker for, and" shall be omitted, and after the word "securities" the words "as agent for the Reserve Bank of India" shall be inserted ; and

(*c*) in clause (ii), for the words "the Government" the words "the Reserve Bank of India" shall be substituted.

(2) Sub-section (2) of the same section shall be omitted.

5. In clause (*a*) of section 12 of the said Act, after the words "at such places" the words "whether in India or elsewhere," shall be inserted.

Amendment of section 12, Act XLVII of 1920.

6. In sub-section (1) of section 13 of the said Act, after the words "in India" the words "or elsewhere" shall be inserted, and the Explanation after sub-section (2) shall be omitted.

Amendment of section 13, Act XLVII of 1920.

7. In section 13A of the said Act, the words "as defined in section 13" shall be omitted, and after the words and figures "Co-operative Societies Act, 1912," the words "or any other law for the time being in force in British India relating to co-operative societies" shall be inserted.

Amendment of section 13A, Act XLVII of 1920.

8. To section 20 of the said Act the following sub-section shall be added, namely:—

Amendment of section 20, Act XLVII of 1920.

"(3) A copy of the principal register of shareholders shall be compiled within 30 days after the date of the first ordinary general meeting in each year and shall be filed forthwith with the officer performing the duty of registration of companies under the Indian Companies Act, 1913." VII of 1913.

9. In section 23 of the said Act, the words "with the previous sanction of the Governor General in Council," and the words "The Bank may also, subject to the provisions of this Act as to the business to be transacted there, establish an office in London," shall be omitted.

Amendment of section 23, Act XLVII of 1920.

10. In section 24 of the said Act, for the word "Governors" the word "Directors" shall be substituted.

Amendment of section 24, Act XLVII of 1920.

11. In section 25 of the said Act, the words "with the previous sanction of the Governor General in Council" shall be omitted.

Amendment of section 25, Act XLVII of 1920.

Substitution of new section for section 28, Act XLVII of 1920.

12. For section 28 of the said Act the following section shall be substituted, namely :—

"28. (1) The Central Board shall consist of the following

Constitution of Central Board.

Directors, namely :—

(*i*) the presidents and vice-presidents of the Local Boards established by this Act ;

(*ii*) one person to be elected from amongst themselves by the members of each Local Board established by this Act ;

(*iii*) a Managing Director who shall be appointed by the Central Board for a period not exceeding five years on such terms as the Central Board may direct, and may be continued in his appointment by the Central Board for such further periods not exceeding five years in each case as the Central Board thinks fit ;

(*iv*) such number of persons not exceeding two and not being officers of the Government as may be nominated by the Governor General in Council. Such persons shall hold office for one year but may be re-nominated ;

(*v*) a Deputy Managing Director who shall be appointed by the Central Board ;

(*vi*) the secretaries of the Local Boards established by this Act ; and

(*vii*) if any Local Board is hereafter established under this Act, such number of persons to represent it as the Central Board may prescribe.

(2) The Directors specified in clauses (*v*) and (*vi*) of sub-section (1) shall be at liberty to attend all meetings of the

Central Board and to take part in its deliberations, but shall not be entitled to vote on any questions arising at any meeting:

Provided that the Deputy Managing Director shall be entitled to vote in the absence of the Managing Director.

(3) The Governor General in Council shall nominate an officer of Government to attend the meetings of the Central Board, and such officer shall be entitled to attend all meetings of the Central Board and to take part in its deliberations but shall not be entitled to vote on any question arising at any meeting."

Repeal of section 30, Act XLVII of 1920.

13. Section 30 of the said Act is hereby repealed.

Amendment of section 31, Act XLVII of 1920.

14. In section 31 of the said Act,—

(*a*) in sub-section (1)—

(*i*) in clause (*b*), for the word "Governors," wherever it occurs, the word "Directors" shall be substituted, and

(*ii*) in clause (*c*), for the words "the half-yearly balance-sheet" the words "the annual and half-yearly balance-sheets" shall be substituted; and

(*b*) in clauses (*b*) and (*d*) of sub-section (2), for the word "Governors" the word "Directors" shall be substituted.

Amendment of Schedule I, Act XLVII of 1920.

15. (1) In Part I of Schedule I to the said Act, the following amendments shall be made, namely:—

(*a*) in sub-clause (i) of clause (*a*), after the words "Governor-General in Council", the word "and" shall be omitted, and after the word "Ceylon" the words "and shares of the Reserve Bank of India" shall be added;

(*b*) in sub-clause (iii) of the same clause, after the words " a district board " the words " or a municipal board or committee or, with the sanction of the Governor-General in Council, debentures or other securities for money issued under the authority of a Prince or Chief of any State in India " shall be inserted ;

(*c*) after sub-clause (iii) of the same clause the following sub-clause shall be inserted, namely :—

" (iiia) subject to such directions as may be issued by the Central Board, debentures of companies with limited liability whether registered in India or elsewhere " ;

(*d*) after sub-clause (iv) of the same clause the following clause shall be inserted, namely :—

" (iva) goods which are hypothecated to the Bank as security for such advances, loans or credits, if so authorised by special directions of the Central Board " ;

(*e*) in sub-clause (vi) of the same clause, the words " and debentures " shall be omitted, and for the words " if so authorised by any general or special directions of the Central Board " the words " subject to such directions as may be issued by the Central Board " shall be substituted ;

(*f*) in clause (*b*), for the words " assigned to " the words " pledged, hypothecated, assigned or transferred to " shall be substituted, and for the words " or assignment " the words ", pledge, hypothecation, assignment or transfer " shall be substituted ;

(*g*) in clause (*c*), for the words " six months " the words " nine months in the case of advances or loans relating to the financing of seasonal agricultural operations or six months in other cases " shall be substituted ;

(*h*) in clause (*d*), the words beginning with the words " payable in India, or in Ceylon " and ending with the words " may approve in that behalf " shall be omitted ;

(*i*) in clause (*f*), the words " made payable in India, or in Ceylon," shall be omitted ;

(*j*) in clause (*j*), after the word " claims " the following shall be added, namely :—

" and the acquisition and holding of, and generally the dealing with, any right, title or interest in any property, moveable or immoveable, which may be the Bank's security for any loan or advance or may be connected with any such security " ;

(*k*) to clause (*k*) the following words shall be added, namely :—

" and the entering into of contracts of indemnity, suretyship or guarantee with specific security or otherwise" ;

(*l*) in clause (*l*), for the words " the acting as administrator, executor or trustee for the purpose of winding up estates " the words " the administration of estates for any purpose whether as an executor, trustee or otherwise " shall be substituted ;

(*m*) in sub-clause (iii) of clause (*l*), the words " at the risk of the principal " shall be omitted ;

(*n*) in clause (*m*), the words beginning with the words " for the use of " and ending with the words " personal needs " shall be omitted ;

(*o*) in clause (*n*), the words " for the purpose of meeting such bills or letters of credit, " shall be omitted, and for the words " six months " the words " nine months in the case of bills relating to the financing of seasonal agricultural operations or six months in other cases " shall be substituted ;

(*p*) in clause (*o*), the words " in India " shall be omitted ;

(*q*) for clause (*p*) the following clause shall be substituted, namely :—

" (*p*) the subsidizing from time to time of the pension funds of the Presidency Banks ; and " ; and

(*r*) in clause (*q*), after the words "kinds of business" the words "including foreign exchange business," shall be inserted.

(2) In sub-clause (*a*) of clause (1) of Part II of the same Schedule, after the words "six months" the words "except as provided in clause (*c*) and clause (*n*) of Part I" shall be inserted.

(3) In clause (4) of Part II of the same Schedule, after the words "negotiable security" the following brackets and words shall be inserted, namely :—

"(not being a security in which a trustee may invest trust money under section 20 of the Indian Trusts Act, 1882)",

II of 1882.

and for the words "six months", in both places where they occur, the following words shall be substituted, namely :—

"nine months if a bill drawn for the purpose of financing seasonal agricultural operations and six months in other cases."

16. In regulation 9 in Schedule II to the said Act (which Schedule is hereinafter referred to as the said Schedule), for the words "Central Board" the word "Bank" shall be substituted.

Amendment of regulation 9, Schedule II, Act XLVII of 1920.

17. In regulation 10 in the said Schedule, after the words "has a lien" the following shall be inserted, namely :—

Amendment of regulation 10, Schedule II, Act XLVII of 1920.

"or any transfer of shares to any person who is a minor or has been found by a Court of competent jurisdiction to be of unsound mind or to or in the name of any firm."

18. For regulation 11 in the said Schedule, the following regulation shall be substituted, namely :—

Substitution of new regulation for regulation 11, Act XLVII of 1920.

"11. The executors or administrators of a deceased sole holder of a share, the holder of a succession certificate issued under Part X of the Indian Succession Act, 1925, in respect of the share, and a person in whose favour a valid instrument of transfer of the share was executed by the deceased holder during his lifetime, shall be the only persons who may be recognised by the Bank as having any title to the share. In the case of a share registered in the names of two or more holders, the survivors or survivor and, on the death of the last survivor, his exceutors or administrators or any person who is the holder of a succession certificate in respect of such survivor's interests in the share, and a person in whose favour a valid instrument of transfer of the share was executed by such survivor during his lifetime, shall be the only persons who may be recognised by the Bank as having any title to the share."

XXXIX of 1925.

Deceased shareholders.

Amendment of regulation 12, Schedule II, Act XLVII of 1920.

19. In regulation 12 in the said Schedule,—

(*a*) after the word "shareholder," where it first occurs, the words "or in consequence of a transfer by a deceased shareholder during his lifetime" shall be inserted;

(*b*) after the words "have the right" the words "subject to the provisions of regulation 10," shall be inserted; and

(*c*) the words beginning with "but the Bank shall" and ending with "before the death or insolvency" shall be omitted.

20. In regulation 19 of the said Schedule, the words "and with the previous sanction of the Governor General in Council" shall be omitted and after the words "increase or" the words "with the previous sanction of the Governor General in Council," shall be inserted.

Amendment of regulation 19, Schedule II, Act XLVII of 1920.

21. In regulation 23 in the said Schedule, in sub-regulation (1), for the words "statement of the affairs" the words "balance-sheet" shall be substituted, and in sub-regulation (2), for the words "a managing Governor" the words "the Managing Director or Deputy Managing Director" shall be substituted.

Amendment of regulation 23, Schedule II, Act XLVII of 1920.

Substitution of new regulation for regulation 24, Schedule II, Act XLVII of 1920.

22. For regulation 24 in the said Schedule the following regulation shall be substituted, namely :—

"24. (1) The Central Board shall convene a special meeting on the requisition of any three Directors or of not less than one hundred shareholders holding shares whether fully paid up or otherwise of the aggregate amount of not less than five hundred thousand rupees, upon which all calls or other sums due have been paid, if such requisition is signed by the requisitionists and addressed to the Managing Director or Deputy Managing Director and contains a statement of the object of the proposed meeting.

Special meetings.

(2) The requisition may consist of several documents in like form, each signed by one or more of the requisitionists.

(3) Sixty days' previous notice of any such meeting shall be given by the Central Board under the hand of not less than three Directors, and such notice shall state the purpose for

which the meeting is convened and the time and place of such meeting, and shall be advertised in the Gazette of India and in not less than three daily newspapers, of which one shall be a newspaper published in the vernacular :

Provided that not less than three months' previous notice shall be thus given of any special meeting held for the purpose of increasing or reducing the capital of the Bank.

(4) The place of such meeting shall be the place where the head office of the Bank is situated at the time of the meeting.

(5) If the Central Board does not proceed within 21 days from the date of deposit of the requisition referred to in sub-sections (1) and (2) to cause a meeting to be called, the requisitionists, or a majority of them in value, may themselves call the meeting, but in either case any meeting so called shall be held within three months from the date of deposit of the requisition."

Amendment of regulation 25, Schedule II, Act XLVII of 1920.

23. In sub-regulation (2) of regulation 25 in the said Schedule, for the word "Governors" the word "Directors" shall be substituted.

Amendment of regulation 26, Schedule II, Act XLVII of 1920.

24. In sub-regulation (1) of regulation 26 in the said Schedule, for the word "Governor" the word "Director" shall be substituted.

Amendment of regulation 36, Schedule II, Act XLVII of 1920.

25. In regulation 36 in the said Schedule, after the words "power of authority," the following words shall be inserted, namely :—

"or, in the case of a power of attorney previously deposited and registered with any local head office, a certificate of the secretary of such local head office as to such deposit and registration."

26. In regulation 38 in the said Schedule, for the words "Governors, Managing Governors" the words "Directors, the Managing Director or Deputy Managing Director" shall be substituted.

Amendment of regulation 38, Schedule II, Act XLVII of 1920.

Amendment of regulation 39, Schedule II, Act XLVII of 1920.

27. In the heading to regulation 39 in the said Schedule, for the word, "Governors" the word "Directors" shall be substituted, and in that regulation,—

(*a*) in sub-regulation (1), for the word "Governor" the word "Director" shall be substituted, and in the proviso, the words "or appointed" shall be omitted;

(*b*) in sub-regulation (2), for the word "Governor" the word "Director" shall be substituted, and in the proviso, for the words, brackets and figures "Governor under the provision of clause (*iii*)" the words, brackets and figures "Director under the provision of clause (*iv*)" shall be substituted, and for the words "and the office of a Governor" the words "and the office of a Director" shall be substituted; and

(*c*) in sub-regulation (3), for the words "a Local Board or of the Central Board and a Local Board" the words "of the same Local Board" shall be substituted.

Amendment of regulation 40, Schedule II, Act XLVII of 1920.

28. In the heading to regulation 40 in the said Schedule, for the word "Governors" the word "Directors" shall be substituted, and in that regulation, for the word "Governor," where it first occurs, the word "Director" shall be substituted, and for the brackets and words "(other

than a Governor nominated or appointed by the Governor-General in Council)" the brackets and words "(other than a Director nominated by the Governor-General in Council)" shall be substituted.

Amendment of regulation 42, Schedule II, Act XLVII of 1920.

29. In regulation 42 in the said Schedule, for the words "a Managing Governor," wherever they occur, the words "the Managing Director or Deputy Managing Director" shall be substituted and for the word "Governors," in both places where it occurs, the word "Directors" shall be substituted; and in sub-regulation (1), for the word "three" the word "four" shall be substituted, and for the words "at every local head office established by this Act" the following shall be substituted, namely :—

"at each of the local head offices established at Calcutta, Bombay and Madras :

Provided that not less than four meetings shall be convened by the Managing Director or Deputy Managing Director in every year."

Amendment of regulation 44, Schedule II, Act XLVII of 1920.

30. (1) For sub-regulation (1) of regulation 44 in the said Schedule the following sub-regulation shall be substituted, namely :—

"(1) At the first meeting of the Local Board which takes place after the first meeting of the Central Board in each year, the Local Board shall elect from among its members a president and a vice-president and the elected Director referred to in clause (*ii*) of sub-section (1) of section 28. They shall continue in their respective offices until the first meeting of the Local Board after the first meeting of the Central Board in the following year, and, whenever the office of president or vice-president or of such elected Director becomes

vacant, the Local Board shall at its next meeting elect a successor who shall hold office for the unexpired portion of the period for which his predecessor was appointed."

(2) In sub-regulation (2) of the same regulation, after the words "Local Board" the words "at all general or special meetings held in the town where the Local Board is established" shall be inserted, and in the proviso, for the word "themselves" the words "the members of the Local Board present" shall be substituted.

Amendment of regulations 46, 47 and 48, Schedule II, Act XLVII of 1920

31. In regulations 46, 47 and 48 in the said Schedule, for the words "Governors" and "Governor", wherever they occur, the words "Directors" and "Director" shall be substituted, respectively.

Amendment of regulation 49, Schedule II, A XLVII of 1920.

32. In regulation 49 in the said Schedule,—

(*a*) in sub-regulation (1), for the word "Governors" the word "Directors" shall be substituted, and for the words "a Managing Governor" the words "the Managing Director or Deputy Managing Director" shall be substituted ; and

(*b*) in sub-regulation (5), after the word "secretary" the words "or deputy secretary" shall be inserted.

Amendment of regulation 50, Schedule II, Act XLVII of 1920.

33. In clause (*b*) of regulation 50 in the said Schedule, after the word "servants" the following shall be inserted, namely :—

"and to grant gratuities or other financial assistance either temporary or permanent, to widows, children or other dependants of deceased officers or servants."

Amendment of regulation 51, Schedule II, Act XLVII of 1920.

34. In regulation 51 in the said Schedule, for the word "Governors" the words "Director and Deputy Managing Director," and for the word "officers" the word "employees" shall be substituted, and after the words

" business of the Bank ; " the word " and " shall be omitted and to the regulation as so amended the following words shall be added, namely : —

" and to execute proxies to vote at meetings on behalf of shareholders from whom the Bank holds general powers of attorney."

Amendment of regulation 52, Schedule II, Act XLVII of 1920.

35. In regulation 52 of the said Schedule, for the word " Governor " the word " Director " shall be substituted.

Amendment of regulation 54, Schedule II, Act XLVII of 1920.

36. In regulation 54 in the said Schedule, in sub-regulation (2), for the word " Governors " the word " Directors " shall be substituted, and for sub-regulation (3) the following sub-regulation shall be substituted, namely : —

" (3) The statement of the balance shall contain the particulars and shall be in the form required by section 132 of the Indian Companies Act, 1913, and the provisions of that section and of section 136 of the same Act, shall apply to the Bank in like manner as they apply to a banking company." VII of 1913.

Amendment of regulation 58, Schedule II, Act XLVII of 1920.

37. In regulation 58 in the said Schedule, —

(*a*) in sub-regulation (1), for the word " Governor " the word " Director " shall be substituted ; and

(*b*) in the proviso to sub-regulation (2), for the words " a special meeting shall be called for the purpose of supplying the same " the words " the vacancy may be filled by the Central Board " shall be substituted.

Amendment of regulation 60, Schedule II, Act XLVII of 1920.

38. In sub-regulation (1) of regulation 60 in the said Schedule, for the words " any Governor " the words " any Director " shall be substituted.

Insertion of new regulation 60A in Schedule II, Act XLVII of 1920.

39. After regulation 60 in the said Schedule the following regulation shall be inserted, namely :—

"60A. Notwithstanding anything contained in this Act or in section 271 of the Indian Companies Act, 1913, if the shareholders of the Bank pass a special resolution that the Bank be wound up voluntarily under the provisions of the Indian Companies Act, 1913, the Bank shall be wound up in accordance with the provisions of that Act with regard to the voluntary winding up of a company :

VII of 1913.

Liquidation.

VII of 1913.

Provided that, for the purposes of this section, no such special resolution shall be deemed to have been passed unless at least one-third of the shareholders holding at least one-half of the paid-up capital of the Bank for the time being be present in person or by proxy and a majority poll by open voting in favour of the said resolution and such resolution is thereafter confirmed by a majority of the shareholders at a subsequent special meeting held at an interval of not less than two months or more than three months from the date of the meeting at which the resolution was first passed."

Substitution of new regulation for regulation 62, Schedule II, Act XLVII of 1920.

40. For regulation 62 in the said Schedule the following regulation shall be substituted, namely : —

"62. A shareholder who has no registered address in India and has not supplied to the Bank an address for the giving of notices to him shall not be entitled to any notice, notwithstanding anything contained in this Act"

Absence of registered address.

Temporary saving of existing Central Board.

41. Notwithstanding any amendment made in the said Act by this Act in regard to the manner in which the Central Board shall be constituted, the Central Board existing at the commencement of this Act shall, until it

has been re-established in accordance with the said Act as amended by this Act, continue to transact business and shall have all the powers of the Central Board under the said Act as so amended.

GOVERNMENT OF BOMBAY REORGANISATION COMMITTEE.

Letter No. 639/46, dated 9th March 1933 from the Secretary, Bombay Chamber of Commerce to the Secretary to the Government of Bombay, Finance Department, Bombay.

Report of the Reorganisation Committee.

My Committee have carefully studied the above report and I am directed to submit herewith their views thereon.

It will be apparent that a great deal of the report is of a technical nature and deals with matters on which the Chamber is only competent to express a general opinion. My Committee have confined their observations to those subjects upon which they think that the Chamber can usefully express an opinion and in particular they deal with those points where they find themselves in disagreement with the recommendations of the Reorganisation Committee or with Government's decision in regard to them. It should be understood that where they make no particular remark my Committee think that the proposals merit approval even though the subject-matter may be outside the sphere of the Chamber's knowledge and experience

Speaking generally, my Committee consider that the report if a very valuable contribution to the financial problem confronting the Bombay Government and they would particularly endorse what the Reorganisation Committee write in their last chapter as to the importance of Government stating publicly as soon as possible the action which it is proposed to take on the Committee's main recommendations and laying down a programme for giving effect to those which are accepted. In this connection the Chamber's representatives in the Legislative Council have furnished my Committee with copies of the statement laid before the Council showing the action taken on the

recommendations contained in the Report of the Reorganisation Committee. My Committee also note with great satisfaction the wording of the pledge given to the Council by the Honourable the Finance Member in his speech introducing the budget for the coming year " to pursue unrelentingly the task of reconstruction and reorganisation so as to secure the greatest efficiency with the least cost in every branch of the public administration with the object of securing a budget which will not only balance but will again provide for gradual development."

CHAPTER II—LEGISLATIVE COUNCIL.

Para. 17.—My Committee consider that the pay of the President will have to be fixed in relation to whatever salary is ultimately adopted for the Ministers.

Para. 20.—They are entirely in favour of the suggestion that a limit be set to the number of questions that any individual member may put in a single session.

CHAPTER III.—THE SECRETARIAT.

Paras. 29 *and* 30.—*Secretaries to Government.*—My Committee accept the recommendations regarding the appointment of Secretaries to Government, but think that Government should have the power to renew the appointment of a Secretary on the expiry of his 3 years tenure of office.

Para. 33.—*Subordinate establishment.*—They agree that a special enquiry should be held into the subordinate establishment.

CHAPTER IV.—HEADQUARTER BOARDS.

My Committee strongly approve of the idea underlying the proposals contained in this Chapter. In the memorandum submitted by the Chamber to the Reorganisation Committee it was suggested that the pursuit of a policy of decentralisation might do away with the necessity for Divisional Commissionerships and relieve the congestion in the Secretariat. My Committee prefer the scheme adumbrated by the Committee which seems to them calculated to secure greater decentralisation, relieve the congestion in the Secretariat and generally to simplify the machinery of administration not only in the Revenue Department but in all the chief Departments. They approve of the proposal to locate the Headquarter Boards in Poona.

CHAPTER V.—PUBLIC SERVICE COMMISSION.

Para. 51.—My Committee strongly support the recommendations regarding the appointment and constitution of the proposed Public Service Commission.

Para. 52.—They agree with the functions laid down for the Commission.

Para. 54.—They think that it should be compulsory for the local Government to consult the Commission as to the orders to be passed on any memorial submitted to Government by a Government servant who considers himself wronged.

Para 55.—The pay proposed for the Chairman and Members of the Commission appears satisfactory on the assumption that the rates of pay proposed by the Committee for Ministers, etc., are accepted. In the event of other rates being adopted it will be necessary to make corresponding alterations in the pay of the members of the Commission as it is essential that the latter should bear the same relation to the former whatever scales may be ultimately fixed.

CHAPTER VI.—THE HEADQUARTERS OF GOVERNMENT.

Para. 59.—My Committee strongly support the recommendation that there should be a single seat of Government in the Presidency and that that seat should be located in the City of Bombay.

Para. 62.—*Mahableshwar.*—They fear that if the proposal contained in this paragraph is sanctioned, the move of Ministers and Secretaries with their attendant retinue of clerks and pattawalas will very shortly assume such proportions as to be hardly distinguishable in character or cost from the annual migration which has only recently been abandoned as the result of protests extending over many years.

There is no objection to Mahableshwar being retained as a holiday resort for Government officials and others taking short leave in the ordinary course at their own expense.

Paras. 63 *and* 64.—My Committee think that for the present Ganeshkhind should be retained as a monsoon residence for the Governor. As pointed out in para. 61 communication between Poona and Bombay both by telephone and rail is easy and rapid; it should not be difficult to arrange for frequent consultation between Ministers and the head of the Government and in this way the Governor would be in close touch for a part of the year with the proposed Headquarter Boards. Such a system might be given a trial for a year or two at least before any large expenditure is undertaken in reconstructing Government House, Bombay. It is noted that as the recommendations of the Committee involve considerable capital expenditure Government are unable to consider them at present; but I am to point out that the only capital

expenditure involved appears to be the construction of a new Government House in Bombay and to urge that, as this, in the Chamber's view, is not essential, a decision on this most important question should not be delayed.

CHAPTER VII.—THE SERVICES.

My Committee accept the principles enunciated in this Chapter and are in general agreement with the proposals for giving effect to them.

Para. 70.—They agree that an undue inflation of the basic pay of the all-India services is reflected right through every branch of the administration from the superior provincial services down to the subordinate establishments, with the result that an artificially high standard of living has been created.

Para. 73.—They agree that the distinction between class I and class II of the provincial service should be abolished.

Para. 78.—The proposed grouping of the various services has my Committee's approval except that they consider that agriculture is of sufficient importance to the future development of India to merit its being raised from group (*d*) to group (*c*).

Para. 80.—They agree that the various posts which do not fall within the proposed grouping should be the subject of special examination with a view to the pay attached to them being scaled down proportionately.

Para. 83.—They agree that the opportunity should be taken of a complete reorganisation of the subordinate services and accept the principles on which it is proposed that this should be done.

Para. 85.—They agree that there should be no officiating promotion from grade to grade.

Para. 92.—They are in favour of the proposed alteration in the rules regarding acting allowances.

Para 93.—In regard to the application of the revised scales of pay my Committee think it particularly important that in view of the state of Bombay finances Government should adopt the second of the three courses outlined by the Reorganisation Committee.

Para. 98.—They strongly support the proposal that no leave reserve should be allowed in computing the number of superior posts in a provincial service.

Para. 100.—They agree to the proposals regarding the period of probation for recruits to Government service.

Para. 103.—They agree that for Indianised services 30 years should be the period for qualifying for full pension.

Para. 104.—They agree to the proposed alterations in the leave and pension rules.

Para. 110.—They agree that for new entrants to pensionable service pensions paid out of India should be converted into foreign currency at the current rates of exchange and not at any special rates.

It is noted that the whole question of the pay of the Provincial Services is under reference to other provinces and I am desired to say that my Committtee realize the desirability of this but trust that in view of the importance of the matter decisions will not be delayed longer than such consultation unless absolutely necessary.

CHAPTER VIII.—SPECIAL PAY.

CHAPTER IX.—ALLOWANCES.

CHAPTER X.—HOUSING OF GOVERNMENT SERVANTS.

CHAPTER XI.—LEAVE, HOLIDAYS AND VACATIONS.

These are all points on which the Chamber has laid great stress and my Committee have no difficulty in accepting the recommendations of the Committee *in toto.*

It is noted that Government have already accepted certain of the recommendations as regards allowances though it is not understood why the savings achieved are so very much less than estimated in the Report. But my Committee learn with regret Government's decision on the recommendations of the Thomas Committee in paragraphs 171-173 as regards charging all officers 10 per cent. of their pay for Government quarters. They do not desire to particularize but they content themselves with saying that cases have been brought to their notice fully justifying the Reorganisation Committee's recommendations which seem to them to be fair and equitable.

CHAPTER XII. AGRICULTURE.

All the proposals made in this Chapter are accepted in principle

Chapter XIII. Co-operation.

The state of affairs described in this Chapter is so grave that my Committee consider there is a case for a special enquiry by a competent body into the whole co-operative system in this province with a view to (1) examining the present position with the particular object of remedying the state of affairs as regards unauthorised outstandings; and (2) laying down the lines for the reorganisation and future development of the Co-operative Movement in close collaboration with the Agricultural Department.

Chapter XIV. Education.

Para 232. A. *Administration, (ii) Inspectorate.*—My Committee entirely agree that the time has come to review the whole system of inspectorate with a view to increasing Government control through their own inspecting staff. The present system of inspection of primary schools under Local Boards is most unsatisfactory and an early amendment of the Primary Education Act, 1923, is urgently required, for unless this Act is revised the present waste and inefficiency will continue.

Para 233. *B. Primary Education.*—My Committee are of the opinion that the Reorganisation Committee's proposals are sound; but that they have gone too far in their proposals for a reduction in teacher's pay. There should be some reduction in salaries and the money so saved should be utilised in the manner suggested for the training of teachers and generally to improve the standard of education in the Presidency. My Committee would even go further and say that any money saved after provision has been made for the training scheme for teachers, should be utilised, as and when practicable, for the extension and improvement of primary education. They do not grudge the money spent on primary education provided that they are satisfied that it is well spent and not wasted; but as mentioned above they consider that Government should have the right of inspection of all schools for which the tax-payer pays.

Paras. 239 to 245. *C. Secondary Education.*—On the figures cited my Committee feel that they have no option but to accept the Committee's proposals that Government schools should be gradually closed down and handed over to private enterprise. They understand that the standard of education in privately owned schools is not lower

than that in Government schools. Grants in aid should be continued as this system places in the hands of Government means of ensuring proper control.

It is noted that Government accept the principle of gradual transfer.

Paras. 246 *to* 252. *D. Collegiate Education.*—After full consideration my Committee accept the Committee's proposals; but the transfer of Colleges to Educational Societies should not be hurried, nor should any transfer be made without some definite guarantee that the present standard of the Colleges taken over will be maintained in the future. They do not see how any Government college can be made to pay and they would therefore agree to the continued existence of the Deccan College under the present management even if at the end of two years it did not show the result demanded by the Reorganisation Committee. The only proviso they would make is that it should show a very definite improvement on its present financial position.

The transfer of colleges from Government to private Societies is a sign of the times. Government should do their best to guard against any lowering of the standard of efficiency caused by reducing the grade of teachers or by cutting down the amenities and hygiene of the College.

My Committee observe that their conclusions are in direct variance with the decisions of Government who do not accept the principle of transfer but have decided to close the Deccan College. In the circumstances they do not feel in a position to combat the decision though they are inclined to view the closing of the Deccan College as a mistake.

Paras. 256, 259, 261 and 270. *E. Vocational Colleges.*—My Committee agree with the views of the Committee regarding the Government Law College, the Grant Medical College, the Veterinary College and the College of Engineering.

Para. 257. *Sydenham College of Commerce.*—My Committee note with approval Government's decision to continue this College and to raise the fees with a view to reducing the cost of the College to the taxpayer to the lowest possible figure.

Paras. 265 to 269. *Agricultural College.*—My Committee accept the case made out for the closing down of the Agricultural College. In doing so they must not be taken as minimising the necessity for

sound agricultural training in this country and in particular in this Presidency. If it is agreed that the closing down of the Agricultural College is a retrograde step they would reply that the objects which it was intended to fulfil might be better served by the development of the non-official taluka development associations referred to in para 208. Agricultural education in India should reach as large a number of agriculturists as possible; it should not aim so much at imparting highly scientific knowledge to the few as at disseminating useful and practical but up-to-date knowledge among the many. This can best be done by means of taluka associations which will be composed of non-official members all directly interested in agriculture and guided by district and agricultural overseers working under the supervision of the present Deputy Directors whom it is proposed to designate " Superintendents of Agriculture." The taluka development associations should not be purely agricultural in character but should also take an interest in co-operation and veterinary matters.

It is suggested therefore that the recommendation of the Reorganisation Committee to close down the educational side of the Agricultural College at Poona should be accepted, but from the saving effected—estimated at nearly a lakh a year—grants should be given to enable taluka associations to be formed in all these talukas where such associations are not now in existence. The Committee have already budgetted for Kamgars to be attached to each of the Talukas where an Association does now exist, and supposing an average grant of Rs. 300 per annum were given to each new Taluka Association, it would entail an expenditure of approximately Rs. 36,000 which will still leave a saving of over half a lakh when the Agricultural Educational College is closed down, assuming that the proposed grants to the Development Associations are paid for out of the savings effected by the closing down of the College. It is not suggested that an attempt should be made to put into immediate effect the policy of establishing Taluka Associations in every Taluka where they do not now exist. They should be set up gradually as opportunity offers and at the same time an effort should be made to improve the practical training of the new Kamgars whom it is proposed to appoint. When the process outlined above has been completed the estimated figures will be as follows:—

	Rs.
Cost of College	1,93,000
Less—Fees received	26,000
	1,67,000

	Rs.	
Grant to 120 Talukas ..	36,000	
Cost of 3 students with scholarship	16,000	
Cost of Research Institute ..	61,000	1,13,000
Saving Rs. ..		54,000

My Committee note that Government have decided that the College shall be retained but organised on a more economical basis but they would urge that even now due consideration should be given to the views expressed above.

Para. 275. *School of Art.*—My Committee note with satisfaction that Government are taking up with the Government of India the question of making the School a Federal Institution. They also note that the fees are being increased, but they are of opinion that, unless the deficit can be reduced to small proportions or the School is federalized, it should be closed down, provision being made for the formation of an architectural class in one of the other colleges in Bombay.

Para. 280. *F. Scholarships and Free Studentships.*—We accept the views expressed by the Committee.

Chapter XV. Excise.

Paras. 288 *and* 289.—My Committee support the recommendations that Government should constitute periodical reviews of establishment with a view to ascertaining if any retrenchment in staff is practicable.

Chapter XVII. Industries.

Para. 301.—My Committee note that Government have not accepted the recommendation that in view of the financial situation the department of industries should be held in abeyance. It is presumed that this must be taken to mean that Government are satisfied that the work of the department is of sufficient value to the minor industries of the Presidency to justify its cost and my Committee would be glad to be informed on this point. If this is not the case Government's decision would appear to be difficult to justify as the other activities of the Department could, as has been pointed out on more than one occasion, very easily be transferred to other Departments.

CHAPTER XIX. ADMINISTRATION OF JUSTICE.

Para. 309.—Owing to lack of knowledge my Committee do not feel qualified to express an opinion on this subject, but they support the suggestion that the question of the organisation of the Judiciary should be investigated by a Committee containing persons with long experience of the Bench and Bar.

Para. 319. *High Court Funds.*—They also support the suggestion that the Local Government should press for early action in order to secure possession of these funds.

CHAPTER XX. LAND REVENUE AND GENERAL ADMINISTRATION.

Paras. 321 to 348.—My Committee do not feel competent to deal with the organisation and administration of this department, with whose activities they are necessarily largely unfamiliar, but in view of the amount of the savings involved this appears to them a most important part of the report and they trust that none of the recommendations it contains will be rejected without serious consideration on the part of Government, who will, it is hoped, state their attitude towards the proposals at an early date and their reasons for not giving effect to any of them. My Committee are strongly of the opinion that the present offers a golden opportunity for the reorganisation of this department which should on no account be neglected.

Para. 349. *Revenue Officer, Barrage.*—My Committee are in general not commenting on such of the proposals in the report as deal with Sind, but they cannot refrain from supporting the recommendation that the services of Mr. Dow and his staff should be retained for the present.

Para. 350. *City Survey, Bombay.*—My Committee agree that the Municipality should be asked to contribute a moiety of the cost of maintenance of the City Survey and that Government should aim at increasing the amount recovered from the sale of maps and in fees for extracts from and inspection of records.

CHAPTER XXI. THE MEDICAL DEPARTMENT.

Paras. 355 *and* 356. *District Medical Board.*—My Committee agree that the management of local dispensaries should be entrusted to District Medical Boards, and think that members of the Bombay Medical Service and of the subordinate Medical Service who are surplus to requirements should be retired.

Para. 360. *Hospital fees.*—They entirely agree that the efforts which are being made to increase the amount recovered in hospital fees should be continued and increased. With this object they suggest that the possibility of appointing an Almoner and/or lady Almoner or Almoners should be seriously examined. This very important aspect of hospital work appears to have been entirely neglected in Bombay.

Para. 361. *The European General Hospital, Bombay.*—My Committee are of the opinion that the case made out by the Thomas Committee for removing the hospital appears sound and merits further examination. They suggest that a Committee of Europeans be appointed with a view to investigating the recommendations of the Thomas Committee. They hesitate to commit themselves in favour of the recommendations pending the result of such an investigation.

Para. 367. *The Chemical Analyser and Medical Fees.*—In paragraph 17 of the memorandum submitted by the Chamber to the Reorganisation Committee the possibility of abolishing the post of Chemical Analyser to Government was suggested. My Committee are now convinced that this opinion requires revision, because the services of a Chemical Analyser will be necessary in connection with medico-legal work. Cases of rape, mineral and obscure organic poisoning, to give three examples, can only be dealt with by him.

My Committee approve of the proposal to raise the share of the fees of the Chemical Analyser and his assistants to be retained by Government to 50 per cent. but think this provision should apply equally to surgeons operating in Government hospitals. They utilise an operating theatre and instruments belonging to Government and are assisted by Government staff. It appears to my Committee that in the case of medical officers in Government employ there is no justification for Government not receiving a portion of the operation fees, but the provision might be waived in the case of Honorary Surgeons.

Paras. 369 *to* 370. *The Indian Medical Service.*—My Committee are in favour of the Government of Bombay taking up with the Government of India the question of the latter bearing a share of the extra expenditure involved by the present arrangement under which certain posts are reserved to officers in the I.M.S. In the event of the Government of India not agreeing to the proposal, my Committee are not prepared to accept the underlying suggestion that the senior posts at

present reserved to I.M.S. Officers should be filled by officers of the B.M.S or officers in private practice. They consider that it is very desirable to retain the sevices of the I.M.S. Officers as long as they are available.

CHAPTER XXII. POLICE.

Para. 375.—My Committee do not feel competent to comment on the details of the police administration, but content themselves with endorsing the remark as to the paramount importance of handing over a thoroughly efficient police organisation to the new Constitution.

Para. 388. *Railway Police.*—They support the recommendation that a claim should be made on the Government of India for the recovery of a proportion of the cost of the Law and Order section of the Railway Police employed on the State Railways serving this province.

Para. 389. *Pound Fees.*—They support the recommendation for raising pound fees to an extent necessary to defray the cost of administering the pounds.

CHAPTER XXIII. PRINTING AND STATIONERY.

Para. 396.—They support the recommendation for the immediate transfer of the High Court Press to the Government Central Press.

CHAPTER XXIV. PUBLIC HEALTH.

Paras. 402 *to* 409.—The Committee's recommendations under this head are accepted.

CHAPTER XXV. PUBLIC WORKS.

Paras. 410-430. *A. Transfer of Public Works to District Boards.*—My Committee think that the proposed transfer of Public Works to District Local Boards is impracticable and inadvisable. The Thomas Committee themselves, particularly in para. 429, give the arguments against the transfer which appear to be conclusive. My Committee are extremely doubtful as to the expediency of undertaking the proposed five years' experiment in the Thana District, but in any case, it is desirable in the meantime to concentrate on the reorganisation of the P.W.D. This question is bound up with the future development of roads which will be discussed at an important conference which is to be held in Simla towards the end of April, at which we understand that proposals will be put forward for the constitution of Central and Provincial Boards of Communications which will act in a consultative

and advisory capacity. Any reorganisation therefore will probably have to make provision for the effective functioning of Provincial Board of Communications for Bombay.

Paras. 431 to 446. *B. Reorganisation of the Department.*—My Committee are in general agreement with the proposals contained in paragraphs 431 and 441 but, as regards the question of roads which is assuming increasing importance, the scheme outlined may need reconsideration in the light of the recommendations of the Simla Conference referred to above.

In connection with paragraphs 410 and 441 my Committee have decided in view of the impending separation of Sind from the Bombay Presidency not to deal with matters relating to Sind, but they would like to record that the Reorganisation Committee's reference to roads in Sind would seem to indicate that because the total length of metalled road maintained by the P.W.D. in that province is less than 100 miles, the situation calls for no particular attention by that Department. My Committee feel, on the contrary, that the fact that there are less than 100 miles of metalled road in Sind is a matter for considerable concern to which it is necessary to draw attention.

They are informed that the Sind Communications Board has submitted on several occasions a request to the Government of Bombay with the support of the Commissioner of Sind and of Sir Charlton Harrison, for a special Superintending Engineer for Roads in Sind and they should like to take the opportunity of adding their support to this request and urging that it should be sanctioned. In their view it is absolutely essential that feeder roads should be provided if the Sukkur Barrage is to be efficiently served. In many cases surfaced or even metalled roads will not be necessary as earth graded roads will frequently meet the case. This development, however, is not likely to be carried out efficiently if left to District Boards and it will require the supervision of a special Superintending Engineer for Roads.

Para. 447. *Tolls.*—My Committee consider that the remarks of the Thomas Committee on this subject are out of order as not coming within their terms of reference. In the view of my Committee tolls on roads can only be justified in the case of a first class road serving some particular purpose or in the case of a bridge which has taken the place of a ferry service and provides through communication. The

Reorganisation Committee do not suggest that the tolls which they advocate should be used to improve roads but that the Government grant for such roads should be reduced to the extent of the amount recovered from the tolls. My Committee feel that public opinion will be unanimous in condemning this suggestion which has their strongest disapproval. The question of tolls in the Bombay Presidency is one that should be left over for examination by the Provincial Board of Communications when it is set up. My Committee have already addressed Government separately on their decision to reimpose the tolls abolished in 1923-1925 and their representative in Council has voiced their views so that there is no necessity to press the matter further in this letter.

Para, 448. *C. Specialist Officers : Consulting Architect to Government.*—My Committee feel that the recommendation that the appointment of Consulting Architect should be held in abeyance has been made under a misapprehension.

In a report submitted to the Bombay Legislative Council for the year 1930, the Consulting Architect to Government prepared detailed plans and estimates for buildings to the value of six lakhs and rough plans and estimates for buildings to the value of thirty-six lakhs. If this post were done away with, an architect would have to be employed for this work. In accordance with the rules of the Royal Institution of BritishArchitects, the minimum charge would be 6 per cent. on the value for detailed plans and estimates, 1¼ per cent. on the value for rough plans and estimates. In other words, for 1930 Government would have had to pay :—

		Rs.	
6 per cent. on six lakhs	..	36,000	
1¼ per cent. on 36 lakhs	..	45,000	
Total Rs.	..	81,000	Nearly double the present cost.

The Reorganisation Committee's Report recommends a building programme running into 35½ lakhs of rupees. The Report also recommends a general overhaul of all standard plans.

My Committee cannot accept the suggestion that this work should be left to the engineers of the P.W.D. Work of this nature must be done by an architect whose whole function and training is the economical planning of buildings.

My Committee feel therefore that so long as building work is in progress an architect will be necessary and it appears that the services of the Consulting Architect to Government are cheaper than those of an outside agency. On this question the opinion expressed in para. 17 of the Memorandum submitted by the Chamber to the Reorganisation Committee requires revision.

It is noted that Government have decided to abolish the post but it is hoped that the matter will be given reconsideration in the light of the foregoing.

Paras. 449 *to* 451. *Electrical Engineer to Government.*—My Committee agree that the responsibility for the upkeep of the electrical installations in Government buildings should be transferred to a P.W.D. Engineer provided he is an Electrical Engineer.

Paras. 452 *and* 453.—Statutory inspections must be carried out. Non-statutory inspections could be discontinued.

My Committee believe that Government, if they consulted the Bombay Fire Insurance Association, who have a competent inspection staff, could make perfectly satisfactory arrangements to carry out this work at little or no cost to Government and with considerable saving in fees charged to the consumer. In connection with Volatile Spirit Storage the Municipality utilise this Association to inspect premises before Municipal licenses are granted.

Para. 454.—My Committee agree that the appointment of an Electrical Engineer to Government should be abolished provided the services of a competent Electrical Engineer are retained with the P.W.D.

Chapter XXVI. Registration.

Paras. 459 to 466.—The recommendations for raising the amount recovered in registration fees have, it is noted, been accepted by Government and this has my Committee's approval.

Chapter XXVII. Stamps.

Para. 471. *Stamp Duty on Cheques.*—In replying to a reference on the question of the reservation for central or federal legislation of the subject of stamp duties on certain classes of instruments the Committee of the Chamber last August expressed the opinion that a low stamp duty on cheques would not discourage the banking habit and at the same time would provide the industrial provinces with much

needed revenue. They suggested a stamp duty of half an anna. In view of the remarks of the Reorganisation Committee and of the necessity for raising revenue they think possibly a stamp duty of one anna might safely be levied, and they note with satisfaction that provision for the reimposition of the duty as from 1st July next is contained in the Budget proposals of the Finance Member of the Government of India.

CHAPTER XXVIII. VETERINARY.

Approved.

CHAPTER XXIX. FINANCIAL ADMINISTRATION.

In view of what the Thomas Committee write in paragraphs 483 and 484 my Committee support the proposal in paragraph 486 that the Finance Department should at once take up the question of overhauling the existing procedure with a view to ensuring the preparation of more accurate estimates in future.

Paras. 489 *and* 490.—The proposals for revising the financial regulations and the system of internal audit appear to my Committee very desirable.

Para. 491.—*Contractual Obligations of Government.*—My Committee endorse the view that commitments such as the upkeep of donated hospitals, etc., should be avoided as far as possible.

Para. 495.—They accept the suggestion that loans and advances by Government should be treated as transactions to a special fund,

Para. 496.—It is very desirable, if practicable, that the fund should be maintained in a solvent condition.

CHAPTER XXXI. LOCAL SELF-GOVERNMENT.

Para. 518. *Local Fund Cess.*—My Committee have no information to enable them to form a judgment as to whether the proposed large increase in the Local Fund Cess is likely to be equitable in its effects, but they would much doubt it and are inclined to oppose this recommendation which will place a further burden on the agriculturist.

Para. 520. *Profession Tax.*—Some years ago the Chamber at the instance of one of their members had occasion to make representations to the Madras Government in regard to the working of the profession tax in that Presidency. Subsequently legislative proposals were introduced in the Madras Legislative Council for removing the anomalies

against which the Chamber protested. The Committee later recorded their opinion that the difficulties to which the legislation in question had given rise only served to emphasize the undesirability of conceding similar powers to other local bodies and confirmed them in their view that the municipal taxation of such sources of income should be restricted as far as possible. My Committee see no reason to resile from this position, particularly in view of a tendency, which was noted by the Taxation Enquiry Committee, on the part of local bodies, to whom these powers have been conceded, to trench on the sphere of provincial and imperial taxation.

Para. 526. *Government Grants.*—My Committee entirely agree that Government should exercise stricter control for the utilisation of Government grants to local bodies.

Para. 529. *Control of Local Bodies over their Staff.*—They consider that the proposals for regulating by statute the powers of local bodies over their staff are highly desirable, if practicable, and more particularly that Government should exercise greater control over the money they issue in the form of grants.

Chapter XXXII. Scheduled Taxes.

Para. 531.—My Committee have no objection to the removal of the exemptions at present allowed from the Entertainments Duty.

Para. 532.—They are strongly opposed to the continuance of the electricity tax. The tax was accepted last year as an emergency measure but the Chamber regards it as a tax on development and production and certainly does not agree that it should be made permanent. In authorising the Chamber's representative in Council to support its continuance for another year my Committee desire to make it abundantly clear to Government that the tax is a bad one which should be removed at the earliest possible date.

Chapter XXXIII. Miscellaneous.

Para. 533.—The Thomas Committee mention the establishment of a City Civil Court as a pressing problem with the object of reducing the cost of litigation and obviating some of the law's delays. The Committee of the Chamber went into this question very carefully last year in consultation with their legal advisers and they arrived at the conclusion that there was no occasion at the moment for the establish-

ment of a City Civil Court in Bombay, as the exigencies of the public interest did not warrant, nor did the finances of the Bombay Government justify the establishment at the present time of such a Court.

Para. 534. *Back Bay.*—The suggestion that a complete scheme should be worked out in detail for the development of Back Bay is obviously sound.

Para. 355. *Government of India land in Bombay City.*—My Committee agree to the proposals for the assessment to land revenue of vacant land belonging to the Government of India in the City of Bombay.

Para. 537. *Hours of Work.*—They are glad to note that the Committee recommend the adoption of the usual business hours of work in all Government offices in Bombay and Karachi and that orders have already been issued to give effect to this recommendation.

Paras. 538 *and* 539.—The recommendations regarding the curtailment of Government publications are accepted and it is considered that it will be quite sufficient if the Civil List is issued only once a year.

Paras. 540 *to* 546. *Allotment of peons.*—My Committee note with satisfaction that Government have accepted the recommendation for a reduction in the allotment of peons.

INDIAN MERCHANT SHIPPING (SECOND AMENDMENT) BILL.

Report of Special Sub-Committee of the Chamber, dated 20th June 1933.

By Resolution No. 115 of the 19th April 1933, the Bill further to amend the Indian Merchant Shipping Act, 1923, was referred to us for consideration and report.

In the statement of objects and reasons attached to the Bill it is mentioned that the Government of India propose to ratify the International Convention for the Safety of Life at Sea, 1929, and the Internal tional Convention respecting Load Lines, 1930. The present Bill is intended to bring the Indian law into line with the law at present in force in the United Kingdom and the Bill is generally based on the Merchant Shipping (Safety and Load Line Conventions) Act, 1932.

The Government of India have reserved to themselves considerable rule making power under the Act and we feel that it will be very essential for the Chamber to examine closely any such rules as the Governor-General in Council may issue particularly in view of the fact that it was found necessary at the Conference held at Simla in May-June 1931 to modify the terms of the Conventions to suit Indian conditions and most of the modifications agreed upon will be effected by the Rules which in this respect will undoubtedly be more important and more far reaching than the Act itself. For these reasons we strongly recommend also that the Chamber should insist on a reasonable interval elapsing between the date of publication of the rules and the date on which they are brought into force.

A further point that arises in connection with the Government of India's rule making power is that practically all the rules to be made under the Act will be of a technical nature and we recommend that the Chamber should advocate the appointment of a technical advisory Committee on the lines of the Advisory Committee to the Board of Trade, whose duty it would be to assist the Governor-General in Council in drafting the rules under the Act. This technical Advisory Committee should be representative of shipping interests and the majority of the Committee should be non-officials.

We most strongly recommend—

(1) That the Indian Merchant Shipping Act be republished as modified at the earliest possible date.

(2) That all notifications by Central or Provincial Governments made in accordance with powers conferred by the Merchant Shipping Acts, and not repealed, be collected and published as speedily as possible.

(3) That all applicable rules made in accordance with powers conferred by the Merchant Shipping Acts be collected, indexed and published in a form readily available to those concerned.

In order to prevent confusion we have in the following notes used the word "clause" in reference to the amending Bill and the word "section" in reference to those portions of the main Act that are being amended or added to.

In *Section* 2 (9) of the Act the word "machinery" should be substituted for the words "the agency of steam", in order that motor driven vessels may be brought within the purview of the Act.

Clause 2 (*c*), *new Sub-section* 2 (6*A*).—This sub-section as worded is ambiguous and would, *prima facie*, unjustly penalise a ship holding a passenger certificate if at any time she does not carry passengers. We do not think that this is the intention of the framers of the sub-section for we feel strongly that if a steamer which ordinarily carries more than 12 passengers does at any time carry less than 12 passengers she should be treated on these occasions as a cargo carrying steamer. In order to remove the ambiguity we suggest that the words " is carrying " should be substituted for the word " carries ", the sub-section will then read :—

> " (6A) ' passenger steamer ' means a steamship which is carrying more than twelve passengers."

Clause 3, *amended Section* 90 (1).—While approving the principle involved in the amendment we recommend that it should not be made applicable to vessels built prior to January 1932.

Clause 4, *amended Section* 121.—We advocate the insertion of the words " below the margin line " after the words " other openings " in order that the official log may not become a useless record of trivial happenings, such as the opening and closing of deck hatches.

Clause 7 (2), *new Section* 139*A* (2).—The levy of a fine in this case should be opposed on principle, as being redundant in view of the powers of the Governor-General in Council to authorise prosecutions for sending unseaworthy vessels to sea under Section 229.

Clause 8, *new Section* 143 *A*.—The whole clause should be so amended as to throw the onus of responsibility for the shipment of dangerous goods, in the case of a false declaration, on the shipper. The master or owner should only be liable if he connives at the offence. The fine in the latter case should preferably bear some relationship to the freight earned, *i.e.*, the fine should not exceed say ten times the amount of freight earned on the prohibited goods.

Clause 11, *new Section* 145*A*.—This may be agreed to provided the rules made under the powers conferred by this or any other section of the Act do not go beyond the International Convention or the modifications agreed to at the Simla Conference and that Government are reasonable in their interpretation of the latter.

We recommend that it should be suggested that Government should arrange for the training of men for life boat certificates provided no expense to the shipowners is thereby involved.

Clause 14, *amended Section* 149 (1).—It is suggested that the definition accepted at the Simla Conference for "unberthed passenger" might be adopted, *viz.* "one who is accommodated in any compartment which contains more than six berths." The expressions "separate accommodation" and "stateroom, cabin or saloon" should also be defined.

Clause 20, *amended Section* 184 (1).—There is no objection to this amendment provided that the undertaking given in the notes on clauses, appended to the Bill, to exempt ships on short voyages of less than 72 hours, is carried out.

Clause 24, *new Section* 216*B* (1).—After the word "ship" in the fourth line the words "at any reasonable time" should be added. Similarly in *Clause* 25, *new Section* 224*F* (1) the words "at any reasonable time" should be inserted between the words "go" and "on" in the third line. And in *Clause* 25, *new Section* 224*M* (4) the words "at any reasonable time" should be inserted after the word "inspect" (c.f. *Clause* 25, *new Section* 223).

Clause 25, *new Section* 218 (1).—After the word "tonnage" in the second line of Sub-section (*i*) the words "provided it is not fitted with auxiliary power" should be added.

Clause 25, *new Section* 218 (2) (*i*) *and* (*ii*).—The word "every" should be substituted for the first word "any" in each case. It is contended that the exemption should apply to all ships plying in the same areas, otherwise there will be a loophole for discrimination.

Clause 25, *new Section* 218 (2) (*iv*).—The wording of this clause is ambiguous. The words "between a port in India and a port in Ceylon" should be substituted for the words "between ports situated in India and Ceylon."

Clause 25, *new Sections* 220 (1) *and* (2).—In view of the fact that the Bill will not be passed into law for some months hence, the date in each case should be put forward at least one year, *i.e.*, to 30th June 1933 and 1st July 1933 respectively.

Section 125 (2) (*c*) of the Act makes an exception in cases where the certificate of survey of a steamship carrying passengers expires while the steamship is on voyage. We consider that similar provisions should be made in respect of load-line certificates and safety certificates

expiring while the steamship is on voyage. This can be done by inserting sub-clauses similar to the provisions of Section 125 (2) (c) of the Act after new Section 224 *B* (*Clause* 25) and new Section 245 *F* (2) (*Clause* 33) respectively.

Clause 25, *new Sections* 224 *C* (*i*) (*ii*) *and* 224 *C* (2) (*i*).—The words " or cause to be entered " should be inserted after the word " enter " in each case. It is not usual for the master himself to make such entries in the log. He is responsible, however, for such entries being made and signs them.

Clause 25, *new Section* 224 *C* (2) (*i*) *and* (*ii*).—It is realised that in certain circumstances, *e.g.*, in coastal harbours and open roadsteads it is not always practicable to carry out these provisions and in framing the rules provision should be made to exempt these cases.

In the proviso to Sub-section (*ii*) the words and figures " clauses (*i*) and (*ii*) " should be substituted for the word and figure " clause (*ii*)".

Clause 25, *new Section* 224*D*.—It is visualised that it will, invariably be impossible to carry out the provisions of this Section in cases where crews are sent to outports to join ships and it would appear to be necessary that special exception should be made to cover such cases. It is suggested that the shipping master or other authority at the port at which the crew ultimately joins their ship should see that the provisions of this Section are complied with.

Clause 25, *new Section* 224 *I* (*b*).—The words " that would be allowed by the rules under this Act " should be substituted for the word " thereon ". It is possible that the lowest mark on a ship belonging to a country which has not ratified the International Convention may be much higher than is allowed under the rules in force in this country.

Clause 25, *new Section* 224 *M* (3).—The maximum fine of Rs. 5,000, is considered to be excessive.

Clause 26, *amended Section* 227 (2).—The word " which " should be inserted after the word " steamer " in the first line, and the words " attempts to leave a port " after the word " section " in the second line. We would point out that a ship may be temporarily overloaded in port owing to its having accumulations of bilge water, ashes or excess ballast, which would necessarily be discharged before the steamer sails.

Clause 27, *amended Section* 234.—The words "until the particular provisions of this part under which the vessel has been detained have been complied with" should be substituted for the words "until a certain event occurs". The present wording is ambiguous.

Clause 33, *new Section* 245 *C* (2).—At the end of this section the words "as modified at the Simla Conference" should be added.

Clause 33, *new Section* 245(*O*).—The infliction of a fine under this section in so far as storms are concerned should be strenuously opposed. The section places too much responsibility on the master especially in view of the difference of opinion that exists as to what constitutes a storm which is dangerous to navigation. The definition of "tropical storm" in Sub-section 3 does not help matters.

A. W. C. BROWN,
J. McKERRELL,
T. M. PEET,
W. O. A. YOUNG,
C. F. MORRIS.

H. ROYAL,
Ag. Secretary.

INDIAN MERCHANT SHIPPING (SECOND AMENDMENT), ACT 1933.

ACT NO. XXV OF 1933.

[PASSED BY THE INDIAN LEGISLATURE.]

(*Received the assent of the Governor General on the* 21*st September*, 1933.)

An Act further to amend the Indian Merchant Shipping Act, 1923, for certain purposes.

WHEREAS an International Convention for the Safety of Life at Sea was signed in London on the 31st day of May, 1929, for promoting safety of life at sea by establishing in common agreement uniform principles and rules directed thereto;

And whereas an International Load Line Convention was signed in London on the 5th day of July, 1930, for promoting safety of life and property at sea by establishing in common agreement uniform principles and rules with regard to the limits to which ships on international voyages may be loaded ;

And whereas the Government of India by its representatives was a signatory to the said Conventions :

And whereas in order to give effect to the said Conventions and in order in certain other respects to make better provision for Merchant Shipping it is expedient to amend the Indian Merchant Shipping Act, 1923, for the purposes hereinafter appearing ;

XXI of 1923.

It is hereby enacted as follows :—

Short title and commencement.

1. (1) This Act may be called the Indian Merchant Shipping (Second Amendment) Act, 1933.

(2) This section shall come into force at once : the rest of this Act or any section thereof shall come into force on such date as the Governor-General in Council may, by notification in the Gazette of India, appoint in this behalf.

XXI of 1923.

Amendment of section 2, Act XXI of 1923.

2. In section 2 of the Indian Merchant Shipping Act, 1923 (hereinafter referred to as the said Act),—

(*a*) in clause (5), for the figures " 1894—1921 " the figures " 1894—1932 " shall be substituted ;

(*b*) in clause (6), after the word " servants " the following words shall be added, namely :—

" but does not include any persons on board the ship either in pursuance of the obligation laid upon the master to carry shipwrecked, distressed or other persons, or by reason of any circumstance which neither the master nor the owner could have prevented or forestalled " ;

(*c*) after clause (6), the following clause shall be inserted namely :—

"(6A) 'passenger steamer' means a steamship carrying more than twelve passengers".

Amendment of section 90, Act XXI of 1923.

3. For sub-section (1) of section 90 of the said Act, the following sub-section shall be substituted, namely :—

"(1) Every place in a British ship which is occupied by seamen or apprentices engaged under this Act and appropriated for their use shall have for each seaman or apprentice a space of not less than twelve superficial feet and not less than seventy-two cubic feet."

Amendment of section 121, Act XXI of 1923.

4. In section 121 of the said Act, after clause (xiii) the following clauses shall be added, namely :—

"(xiv) the times of closing and opening the hinged doors, portable plates, side scuttles, gangway cargo and coaling ports and other openings which are required by any rules made under this Act to be kept closed during navigation ;

(xv) a record of all drills and inspections required by any rules made under this Act with an explicit record of any defects disclosed ; and, if boat-drill is not practised on board the ship in any week, the reasons why boat-drill was not practised in that week."

Amendment of section 134, Act XXI of 1923.

5. In section 134 of the said Act,—

(*a*) in clause (*v*) after the word "equipments" the brackets and words "(including life-saving appliances and wireless telegraphy installation)", and after the word "engine-driver" the words "and of the wireless telegraphy operators and watchers" shall be inserted ; and

(*b*) for clause (*d*) the following clause shall be substituted, namely :—

" (*d*) the voyages or class of voyages on which, as regards construction, machinery and equipments, the steamship is in the surveyor's judgment fit to ply ; "

Amendment of section 139, Act XXI of 1923.

6. In section 139 of the said Act, the word " or " at the end of clause (*b*), and the whole of clause (*c*) shall be omitted.

Insertion of new section 139A in Act XXI of 1923.

7. After section 139 of the said Act the following section shall be inserted, namely :—

"139A. (1) The owner or master of a steamship in respect of which a certificate of survey has been granted under this Part, shall, as soon as possible after any alteration is made in the steamship's hull, equipments or machinery which affects the efficiency thereof or the seaworthiness of the steamship, give written notice to such person as the Governor-General in Council may direct containing full particulars of the alteration.

Alterations in steamships subsequent to grant of certificate of survey, and additional surveys.

(2) If the owner or master of a steamship, without reasonable cause, neglects to give the notice required by this section, he shall be liable to a fine which may extend to five hundred rupees.

(3) If the Governor-General in Council has reason to believe that since the making of the last declaration of survey in respect of a steamship—

(*a*) any such alteration as aforesaid has been made in the hull, equipments or machinery of the steamship ; or

(*b*) the hull, equipments or machinery of the steamship have sustained any injury or are otherwise insufficient,

the Governor-General in Council may require the steamship to be again surveyed to such extent as he may think

fit, and, if such requirement is not complied with, may cancel any certificate of survey issued under this Part in respect of the said steamship."

Insertion of new section 143A in Act XXI of 1923.

8. After section 143 of the said Act the following section shall be inserted, namely :—

"143A. (1) No steamship for which a certificate of a survey is required by this Part shall carry as ballast or as cargo any goods which by reason of their nature, quantity or mode of stowage are either singly or collectively liable to endanger the lives of the passengers or the safety of the ship.

Prohibition of carriage of dangerous cargo.

(2) The Governor-General in Council may, subject to the condition of previous publication, make rules determining what goods are to be considered dangerous goods and prescribing the precautions which must be taken in the package and stowage thereof.

(3) If goods are carried in any steamship in contravention of the provisions of this section or of the rules made thereunder, the owner or master shall for each offence be liable to a fine which may extend to three thousand rupees and the steamship shall be deemed for the purpose of section 232 to be unsafe by reason of improper loading."

Amendment of section 144, Act XXI of 1923.

9. In section 144 of the said Act.—

(*a*) in sub-section (1), the words " attested by a British Consular Officer at the port where the survey was made " shall be omitted ; and

(*b*) in sub-section (2), the words " and duly attested by the British Consular Officer at that port " shall be omitted.

Amendment of section 145, Act XXI of 1923.

10. After clause (*a*) of sub-section (2) of section 145 of the said Act the following clause shall be inserted, namely :—

"(*aa*) declare the requirements as to construction, machinery, equipments (including life-saving appliances and wireless telegraphy installation) and marking of subdivision load lines, which are to be fulfilled before a declaration of survey may be granted ;".

Insertion of new section 145A in Act XXI of 1923.

11. After section 145 of the said Act the following section shall be inserted, namely :—

"145A. (1) The Governor-General in Council may, subject to the condition of previous publication, make rules in respect of steamships for which a certificate of survey is required by this Part, regulating the provisions to be made for the safety of life at sea.

Power of Governor General in Council to make rules as to safety of life.

(2) In particular, and without prejudice to the generality of the foregoing power, such rules may regulate—

(*a*) the control of hinged doors, portable plates, side scuttles, gangway cargo and coaling ports and other openings ;

(*b*) the methods to be adopted and the appliances to be carried for the prevention, detection and extinction of fire ;

(*c*) the provision of means of making signals of distress and the supply of lights inextinguishable in water and fitted for attachment to life-buoys ;

(*d*) the provision of boats, life-boats, life-rafts and buoyant apparatus, their equipment, and the specifications with which they shall comply, and the marking of these so as to show the dimensions thereof and the number of persons that may be carried thereon ;

(*e*) the manning of boats and life-boats and the qualifications and certificates of life-boat men ;

(*f*) the provision to be made for mustering the passengers and crew and for embarking them in the boats and life-boats (including provision as to the lighting of, and as to the means of ingress to, and egress from, different parts of the ship) ;

(*g*) the practising of boat drills ; and

(*h*) the assignment of specific duties to each member of the crew in the event of an emergency.

(3) In making a rule under this section the Governor-General in Council may direct that a breach of it shall be punishable with fine which may extend to two hundred rupees, and, when the breach is a continuing breach, with a further fine which may extend to twenty rupees for every day after the first during which the breach continues."

Amendment of Part IV, Act XXI of 1923.

12. In part IV of the said Act, in the headings and elsewhere wherever the expressions occur, for the expressions "native passenger", "native passengers", "native passenger ship" and "native passenger ships", respectively, the expressions "unberthed passenger", "unberthed passengers", "unberthed passenger ship" and "unberthed passenger ships", shall be substituted.

Amendment of section 147, Act XXI of 1923.

13. In section 147 of the said Act,—

(*a*) in sub-section (2),—

(*i*) for clause (*a*) the following clause shall be substituted, namely :—

"(*a*) to any steamship not carrying more than sixty unberthed passengers", and

(*ii*) for clause (*b*) the following clause shall be substituted, namely :—

"(*b*) to any ship not intended to carry unberthed passengers to or from any port in British India ; or" and

(*b*) in sub-section (3), for the words "carrying as passengers more than fifteen natives of Asia or Africa" the words "carrying more than fifteen unberthed passengers" shall be substituted, and for the words "carrying as passengers more than thirty such persons" the words "carrying more than thirty such passengers" shall be substituted.

Amendment of section 149, Act XXI of 1923.

14. For clause (1) of section 149 of the said Act the following clause shall be substitued, namely :—

"(1) 'unberthed passenger' means a passenger of the age of twelve years or upwards for whom no separate accommodation in any cabin, State room or saloon is reserved ; but it does not include either a passenger in attendance on a person who is not an unberthed passenger or a child under one year of age ; and, in the computation of passengers of any of the purposes of this Part, two persons of the age of one year or upwards and under the age of twelve years shall be reckoned as one unberthed passenger ;"

Amendment of section 155, Act XXI of 1923.

15. In section 155 of the said Act,—

(*a*) in clause (*e*), for the words "propelled principally by steam" the words "propelled principally by machinery" shall be substituted ; and

(*b*) in clause (*g*), for the words "propelled principally by steam" the words "propelled principally by machinery" shall be substituted, and for the words "steam-power" the word "power" shall be substituted.

16. In sub-section (1) of section 160 of the said Act, for the words " unless he is satisfied that the ship has not " the words " if he has reason to believe that the ship has " shall be substituted.

Amendment of section 160, Act XXI of 1923.

17. To the proviso to section 177 of the said Act the following words shall be added, namely :—

Amendment of section 177, Act XXI of 1923.

" but shall obtain from the certifying officer an endorsement on the certificate B showing the number of passengers taken on board, and the number of passengers discharged, at that port or place."

18. In sub-section (2) of section 179 of the said Act, for the word " steam ", in both places where it occurs, the word " machinery " shall be substituted.

Amendment of section 179, Act XXI of 1923.

19. In sub-section (1) of section 183 of the said Act, for the word " steam " the word " machinery " shall be substituted.

Amendment of section 183, Act XXI of 1923.

20. In sub-section (1) of section 184 of the said Act, the words " from or to any port in British India to or from any port in the Red Sea " shall be omitted.

Amendment of section 184, Act XXI of 1923.

21. In sub-section (1) of section 200 of the said Act, for the words " propelled principally by steam " the words " propelled principally by machinery " shall be substituted, and for the words " steam-power " the word " power " shall be substituted.

Amendment of section 200, Act XXI of 1923.

22. In clause (*l*) of sub-section (1) of section 213 of the said Act, for the words " steam-power " the word " power " shall be substituted.

Amendment of section 213, Act XXI of 1923.

23. In Part V of the said Act, after the main heading "SAFETY" and before the heading "*Prevention of Collisions*" preceding section 214, the following section shall be inserted-namely :—

Insertion of new section 213A in Act XXI of 1923.

"213A. In this Part the expressions 'Country to which the International Convention respecting Load-Lines, 1930, applies' and 'Country to which the International Convention for the Safety of Life at Sea, 1929 ' applies,' mean—

Definition.

(*i*) a country which has been declared by Order in Council made by His Majesty under section 65 or section 37 of the Merchant Shipping (Safety and Load-Line Conventions) Act, 1932 to have ratified or acceded to the Convention specified in the expression and has not been so declared to have denounced the Convention ;

(*ii*) any colony or overseas territory of, or any protectorate or territory under suzerainty or mandate of a country so declared, in respect of which a declaration under the said section of the said Act has been made that the Convention specified in the expression has been applied to such colony, territory or protectorate, and no declaration has been made that the said Convention has ceased to apply."

Insertion of new sections 216A and 216B in Act XXI of 1923.

24. After section 216 of the said Act, the following heading and sections shall be inserted, namely :—

"*Life-saving Appliances.*'

216A. (1) The Governor-General in Council may, subject to the condition of previous publication, make rules prescribing the life-saving appliances to be carried by every British ship going to sea from any port in British India.

Power of Governor-General in Council to make rules as to life-saving appliances.

(2) In making a rule under this section, the Governor-General in Council may direct that a breach of it shall be punishable with fine which may extend to two hundred rupees, and, when the breach is a continuing breach, with a further fine which may extend to twenty rupees for every day after the first during which the breach continues.

Inspection of provision of life-saving appliances.

216B. (1) A surveyor appointed under section 129 of this Act may, at any reasonable time, inspect any ship for the purpose of seeing that she is properly provided with life-saving appliances in conformity with the rules made under this Act.

(2) If the said surveyor finds that the ship is not so provided he shall give to the master or owner notice in writing pointing out the deficiency, and also pointing out what in his opinion is requisite to remedy the same.

(3) Every notice so given shall be communicated in the manner directed by the Governor-General in Council to the Chief Officer of Customs of any port at which the ship may seek to obtain a clearance, and the ship shall be detained until a certificate signed by such surveyor is produced to the effect that the ship is properly provided with life-saving appliances in conformity with the said rules.

(4) Such fees may be charged for the grant of the certificate referred to in sub-section (3) as the Governor-General in Council may prescribe."

Substitution of new sections 217—224M for sections 217—224, Act XXI of 1923.

25. For the heading to sections 217 to 224 of the said Act and for those sections the following headings and sections shall be substituted, namely :—

'*Load Lines.*'

217. (1) Sections 218 to 224M inclusive (hereinafter referred to as 'the provisions of this Part relating to load-lines) shall have effect only from such date as the Governor-General in Council may, by notification in the Gazette of India, appoint in this behalf.'

Operation of provisions relating to load-lines.

(2) Notwithstanding the provisions of sub-section (1) the power to make rules conferred by section 219 and by sub-section (1) of section 224M may be exercised, and a load-line certificate may be issued in accordance with the rules made under section 219, at any time before such appointed date as if the provisions of this Part relating to load-lines were already in force; and where a load-line certificate is so issued in respect of any ship, or where before such appointed date a certificate granted under section 223 of this Act as in force prior to its amendment by the Indian Merchant Shipping (Second Amendment) Act, 1933, ceases to be in force in respect of any ship, the provisions of this Part relating to load-lines shall be deemed to have come into force with respect to such ship as from the date on which the said load-line certificate is issued or the said certificate granted under section 223 ceases to be in force, as the case may be.

XXV of 1933.

218. (1) The provisions of this Part relating to load-lines shall not apply to —

Ships exempt from provisions relating to load-lines.

(*i*) any sailing ship of less than 150 tons gross tonnage employed in plying coastwise between ports situated in India and Ceylon;

(*ii*) any ship solely engaged in fishing;

(*iii*) any pleasure yacht.

(2) The Governor-General in Council may, on such conditions as he may think fit, exempt from the provisions of this Part relating to load-lines—

(*i*) any ship plying between the near neighbouring ports of two or more countries if the Governor-General in Council and the Governments of those countries are satisfied that the sheltered nature and conditions of the voyages between those ports make it unreasonable or impracticable to apply to ships so plying the provisions of this Part relating to load-lines ;

(*ii*) any ship plying between near neighbouring ports of the same country if the Governor-General in Council is satisfied as aforesaid ;

(*iii*) wooden ships of primitive build if the Governor-General in Council considers that it would be unreasonable or impracticable to apply the said provisions to them ;

(*iv*) any class of steamships of less than 150 tons gross tonnage which are employed in plying coast wise between ports situated in India and Ceylon and do not carry cargo.

Power of Governor-General in Council to make rules as to load-lines.

219. The Governor-General in Council may, subject to the condition of previous publication, make rules (hereafter in this Act referred to as ' the load-line rules ') regulating the survey of ships for the purpose of assignment and marking of load-lines and prescribing the conditions (hereafter in this Act referred to as ' the conditions of assignment ') on which load-lines may be assigned.

Marking of deck line and load-lines.

220. (1) No British ship registered in British India, being a ship of which the keel was laid after the 30th day of June, 1932, and not being exempt from the provisions of this Part relating to load-lines, shall proceed to sea unless —

(*i*) the ship has been surveyed in accordance with the load-line rules ;

(*ii*) the ship complies with the conditions of assignment;

(*iii*) the ship is marked on each side with a mark (hereafter in this Act referred to as a 'deck line') indicating the position of the uppermost complete deck as defined by the load-line rules, and with marks (hereafter in this Act referred to as 'load-lines') indicating the several maximum depths to which the ship can be safely loaded in various circumstances prescribed by the load line rules;

(*iv*) the deck line and load-lines are of the description required by the load-line rules, the deck line is in the position required by those rules, and the load-lines are of the number required by such of those rules as are applicable to the ship; and

(*v*) the load-lines are in the position required by such of the load-line rules as are applicable to the ship.

(2) No British ship registered in British India, being a ship of which the keel was laid before the first day of July, 1932, and not being exempt from the provisions of this Part relating to load-lines, shall proceed to sea unless—

(*i*) the ship has been surveyed and marked in accordance with clauses (*i*), (*iii*) and (*iv*) of sub-section (1);

(*ii*) the ship complies with the conditions of assignment in principle and also in detail so far as, in the opinion of the Governor-General in Council, is reasonable and practicable having regard to the efficiency of the protection of openings, the guard rails, the freeing ports and the means of access to the crew's quarters provided by the arrangements, fittings and appliances existing on the ship at the time when she is first surveyed under this section; and

(*iii*) the load-lines are either in the position required by clause (*v*) of sub-section (1) or in the position required

by the tables used by the Board of Trade on the 31st day of December, 1906, for fixing the position of load-lines, subject to such modifications of those tables and of the application thereof as were in force immediately before the 5th day of July, 1930.

(3) If any ship proceeds or attempts to proceed to sea in contravention of this section, the master or owner thereof shall for each offence be liable to a fine which may extend to one thousand rupees.

(4) Any ship attempting to proceed to sea without being surveyed and marked as required by this section may be detained until she has been so surveyed and marked, and any ship which does not comply with the conditions of assignment to the extent required in her case by this section shall be deemed to be unsafe for the purpose of section 232.

Submersion of load-line.

221. (1) A British ship registered in British India (not being exempt from the provisions of this Part relating to load-lines) shall not be so loaded as to submerge in salt water, when the ship has no list, the appropriate load-line on each side of the ship, that is to say, the load line indicating or purporting to indicate the maximum depth to which the ship is for the time being entitled under the load-line rules to be loaded.

(2) If any such ship is loaded in contravention of this section, the owner or master of the ship shall for each offence be liable to a fine which may extend to one thousand rupees and to such additional fine, not exceeding the amount hereinafter specified, as the Court thinks fit to impose having regard to the extent to which the earning capacity of the ship was, or would have been, increased by reason of the submersion.

(3) The said additional fine shall not exceed one thousand rupees for every inch or fraction of an inch by which the appropriate load line on each side of the ship was submerged, or would have been submerged if the ship had been in salt water and had had no list.

(4) In any proceedings against an owner or master for a contravention of this section, it shall be a good defence to prove that the contravention was due solely to deviation or delay, being deviation or delay caused solely by stress of weather or other circumstances which neither the master nor the owner nor the charterer (if any) could have prevented or forestalled.

(5) Without prejudice to any proceedings under the foregoing provisions of this section, any ship which is loaded in contravention of this section may be detained until she ceases to be so loaded.

Offences in relation to marks.

222. If.—

(*i*) the owner or master of a British ship registered in British India, which has been marked in accordance with the foregoing provisions of this Part, fails without reasonable cause to keep the ship so marked, or

(*ii*) any person conceals, removes, alters, defaces or obliterates, or suffers any person under his control to conceal, remove, alter, deface or obliterate any mark placed on any such ship in accordance with the foregoing provisions of this Part, except with the authority of a person entitled under the load-line rules to authorise the alteration of the mark or except for the purpose of escaping capture by an enemy,

he shall for each offence be liable to a fine which may extend to one thousand rupees.

Inspection of ships with respect to load-lines.

223. A surveyor authorised in this behalf by the Governor-General in Council may inspect any British ship registered in British India for the purpose of seeing that the provisions of this Part relating to load lines have been complied with and for this purpose may go on board the ship at all reasonable times and do all things necessary for the proper inspection of the ship and may also require the master of the ship to supply him with any information which it is in the power of the master to supply for that purpose, including the production of any certificate granted under this Part in respect of the ship.

Certificates.

Issue of load-line certificates and effect thereof.

224. (1) Where a British ship registered in British India has been surveyed and marked in accordance with the foregoing provisions of this Part and complies with the conditions of assignment to the extent required in her case by those provisions, there shall be issued to the owner of the ship on his application and on payment of the prescribed fee—

(*i*) in the case of a ship of 150 tons gross tonnage or upwards which carries cargo or passengers, a certificate to be called 'an international load-line certificate'; and

(*ii*) in the case of any other ship, a certificate to be called 'a British India load-line certificate.'

(2) Every such certificate shall be issued either by the Governor-General in Council or by such other person as may be authorised in that behalf by the Governor-General in Council and shall be issued in such form and manner as may be prescribed by the load-line rules,

(3) The Governor-General in Council may request the Government of a country to which the International Convention respecting Load-Lines, 1930, applies, to issue a load-line certificate in the form of an international load-line certificate under that Convention in respect of a British ship registered in British India, and a certificate issued in pursuance of such a request containing a statement that it has been so issued shall have effect for the purposes of this Part as if it had been issued by the Governor-General in Council.

(4) Where a load-line certificate, issued in pursuance of this section and for the time being in force, is produced in respect of a ship, the ship shall, for the purposes of the foregoing provisions of this Part, be deemed to have been surveyed as required by those provisions, and, if the deck line and load-lines on the ship are of the number and description required by the load-line rules and the position of the deck line and load-lines corresponds with the position specified in the certificate, the ship shall be deemed to be marked as required by those provisions.

Duration, renewal and cancellation of certificates.

224A. (1) Every load-line certificate issued by or under the authority of the Governor-General in Council shall, unless it is renewed in accordance with the provisions of sub-section (2), expire at the end of such period, not exceeding five years from the date of its issue, as may be specified therein.

(2) Any such load-line certificate may, after a survey not less effective than the survey required by the load-line rules before the issue of the certificate, be renewed from time to time by the Governor-General in Council or by any person authorised by the Governor-General in Council to issue a load-line certificate, for such period (not exceeding five years on any

occasion) as the Governor-General in Council or the person renewing the certificate thinks fit.

(3) The Governor-General in Council shall cancel any such load-line certificate in force in respect of a ship if he has reason to believe that—

(*i*) material alterations have taken place in the hull or superstructures of the ship which affect the position of the load-lines ; or

(*ii*) the fittings and appliances for the protection of openings, the guard rails, the freeing ports or the means of access to the crew's quarters have not been maintained on the ship in as effective a condition as they were in when the certificate was issued.

(4) The owner of every ship in respect of which any such certificate has been issued shall, so long as the certificate remains in force, cause the ship to be surveyed in the prescribed manner once at least in each year after the issue of the certificate for the purpose of seeing whether the certificate should, having regard to sub-section (3), remain in force, and if the ship is not so surveyed, the Governor-General in Council shall cancel the certificate :

Provided that the Governor-General in Council, if he thinks fit in any particular case, may extend the said period of one year.

(5) Where any such load-line certificate has expired or been cancelled, the Governor-General in Council may require the owner or master of the ship to which the certificate relates to deliver up the certificate as he directs, and the ship may be detained until such requirement has been complied with, and if the owner or master fails without reasonable cause to comply with such requirement, he shall for each offence be liable to a fine which may extend to one hundred rupees.

(6) On the survey of any ship in pursuance of this section there shall be paid by the owner of the ship such fee as may be prescribed.

Ships not to proceed to sea without certificate.

224B. (1) No British ship registered in British India shall proceed to sea unless there is in force in respect of the ship a load-line certificate issued under the provisions of section 224.

(2) The master of every British ship registered in British India shall produce to the officer of Customs, from whom a port clearance for the ship is demanded, the certificate which is required by the foregoing provisions of this section to be in force when the ship proceeds to sea, and the port clearance shall not be granted, and the ship may be detained, until that certificate is so produced.

(3) The master of any ship which proceeds or attempts to proceed to sea in contravention of this section shall for each offence be liable to a fine which may extend to one thousand rupees.

Publication of load-line certificate and particulars relating to depth of loading.

224C. (1) When a load-line certificate has been issued in pursuance of the foregoing provisions of this Part in respect of a British ship registered in British India other than a home trade ship not exceeding 300 tons burden—

(*i*) the owner of the ship shall forthwith on the receipt of the certificate cause it to be framed and posted up in some conspicuous place on board the ship, and to be kept so framed and posted up and legible so long as the certificate remains in force and the ship is in use; and

(*ii*) the master of the ship, before making any other entry in any official log-book, shall enter or cause to be

entered therein the particulars as to the position of the deck line and load-lines specified in the certificate.

(2) Before any such ship leaves any dock, wharf, harbour or other place for the purpose of proceeding to sea, the master thereof shall—

(*i*) enter or cause to be entered in the official log-book such particulars relating to the depth to which the ship is for the time being loaded as the Governor-General in Council may by rules made in this behalf prescribe; and

(*ii*) cause a notice, in such form and containing such of the said particulars as may be required by the said rules, to be posted up in some conspicuous place on board the ship and to be kept so posted up and legible until the ship arrives at some other dock, wharf, harbour or place:

Provided that the Governor-General in Council may by the said rules exempt home-trade ships or any class of home trade ships from the requirements of clause (*ii*) of this sub-section.

(3) If the master or owner of any British ship registered in British India fails to comply with the provisions of this section, he shall for each offence be liable to a fine which may extend to two hundred rupees.

Insertion of particulars as to load lines in agreements with crew.

224D. (1) Before an agreement with the crew of any British ship registered in British India, in respect of which a load-line certificate is in force, is signed by any members of the crew the master of the ship shall insert in the agreement the particulars as to the position of the deck line and load-lines specified in the certificate, and if he fails to do so, he shall for each offence be liable to a fine which may extend to two hundred rupees.

(2) In the case of a British ship registered in British India being a foreign-going ship, the shipping master shall not proceed with the engagement of the crew until—

(*i*) there is produced to him a load-line certificate for the time being in force in respect of the ship ; and

(*ii*) he is satisfied that the particulars required by this section have been inserted in the agreement with the crew.

Special provisions as to ships not registered in British India.

Load-line certificates of ships not registered in British India.

224E. (1) The Governor-General in Council may, at the request of a country to which the International Convention respecting Load Lines, 1930, applies, issue an international load-line certificate in respect of a ship of that country if he is satisfied in like manner as in the case of a British ship registered in British India that he can properly issue the certificate, and where a certificate is issued at such a request, it shall contain a statement that it has been so issued.

(2) With a view to determining the validity in British India of certificates purporting to have been issued in accordance with the International Convention respecting Load Lines, 1930, in respect of ships not registered in British India the Governor-General in Council shall make such rules as appear to him to be necessary, and for the purpose of the provisions hereafter contained in this Part relating to ships not registered in British India, the expression 'a valid international load-line certificate' means a certificate complying with such of those rules as are applicable in the circumstances.

Inspection and control of ships not registered in British India.

224F. (1) A surveyor authorised in this behalf by the Governor-General in Council may, at any reasonable time, go on board any ship not registered in British India being a ship of 150 tons gross tonnage or upwards carrying cargo or passengers and belong-

ing to a country to which the International Convention respecting Load Lines, 1930, applies, when such ship is within any port in British India, for the purpose of demanding the production of any load-line certificate for the time being in force in respect of the ship.

(2) If a valid international load-line certificate is produced to the surveyor on any such demand, the surveyor's powers of inspecting the ship with respect to load-line shall be limited to seeing—

(*i*) that the ship is not loaded beyond the limits allowed by the certificate ;

(*ii*) that the position of the load-lines on the ship corresponds with the position specified in the certificate ;

(*iii*) that no material alterations have taken place in the hull or superstructures of the ship which affect the position of the load-lines ;

(*iv*) that the fittings and appliances for the protection of openings, the guard rails the freeing ports and the means of access to the crew's quarters have been maintained on the ship in as effective a condition as they were in when the certificate was issued.

(3) If it is found on any such inspection that the ship is loaded beyond the limits allowed by the certificate, the ship may be detained and the provisions of section 238 shall apply.

(4) If it is found on any such inspection that the load-lines on the ship are not in the position specified in the certificate, the ship may be detained until the matter has been rectified to the satisfaction of the surveyor.

(5) If it is found on any such inspection that the ship has been so materially altered in respect of the matters referred to in clauses (*iii*) and (*iv*) of sub-section (2) that the ship is

manifestly unfit to proceed to sea without danger to human life, the ship shall be deemed to be unsafe for the purpose of section 232 (in the case of a British ship) or for the purpose of section 238 (in the case of a foreign ship) :

Provided that where the ship has been detained under either of the last-mentioned sections, the Governor-General in Council shall order the ship to be released as soon as he is satisfied that the ship is fit to proceed to sea without danger to human life.

(6) If a valid international load-line certificate is not produced to the surveyor on such demand as aforesaid, the surveyor shall have the same power of inspecting the ship, for the purpose of seeing that the provisions of this Part relating to load-lines have been complied with, as if the ship were a British ship registered in British India.

(7) For the purposes of this section a ship shall be deemed to be loaded beyond the limits allowed by the certificate if she is so loaded as to submerge in salt water, when the ship has no list, the appropriate load-line on each side of the ship, that is to say, the load-line appearing by the certificate to indicate the maximum depth to which the ship is for the time being entitled under the International Convention respecting Load Lines, 1930, to be loaded.

Certificate of ship not registered in British India to be produced to Customs.

224G. The master of every ship not registered in British India being a ship of 150 tons gross tonnage or upwards carrying cargo or passengers, and belonging to a country to which the International Convention respecting Load-Lines, 1930, applies, shall produce to the officer of Customs from whom a port clearance for the ship from any port in British India is demanded—

(*i*) in a case where port clearance is demanded in respect of a voyage to a port or place outside British India, a valid international load-line certificate ;

(*ii*) in a case where port clearance is demanded in respect of any other voyage, either a valid international load-line certificate or a valid British India load-line certificate;

and the port clearance shall not be granted and the ship may be detained until the certificate required by this section is so produced.

Marking of deck line and load-lines of ships not registered in British India.

224H. The provisions of section 220 shall apply to ships not registered in British India proceeding or attempting to proceed to sea from ports in British India as they apply to British ships registered in British India subject to the following modifications, namely :—

(*i*) the said section shall not apply to a ship not registered in British India if a valid international load-line certificate is produced in respect of the ship; and

(*ii*) subject to the provisions of clause (*i*) of this section a foreign ship which does not comply with the conditions of assignment to the extent required in her case by the said section 220 shall be deemed to be unsafe for the purpose of section 238.

Submersion of load-line of ships not registered in British India.

224I. The provisions of section 221 shall apply to ships not registered in British India, while they are within any port in British India as they apply to ships registered in British India subject to the following modifications, namely :—

(*i*) no ship of 150 tons gross tonnage or upwards carrying cargo or passengers and belonging to a country to which the International Convention respecting Load-Lines, 1930, applies, shall be detained and no proceedings shall be taken against the owner or master thereof by virtue of the said section except after an inspection by

a surveyor as provided by section 224F ; and

(*ii*) the expression 'the appropriate load-line' in relation to any ship not registered in British India shall mean—

(*a*) in the case of a ship in respect of which there is produced on such an inspection as aforesaid a valid international load-line certificate, the load-line appearing by the certificate to indicate the maximum depth to which the ship is for the time being entitled under the International Convention respecting Load-Lines, 1930, to be loaded ;

(*b*) in any other case, the load-line which corresponds with the load-line indicating the maximum depth to which the ship is for the time being entitled under the load-line rules to be loaded, or, if no load-line on the ship corresponds as aforesaid, the lowest load-line thereon.

Inspection of ships not registered in British India.

224J. The provisions of section 223 shall apply, in the same manner as they apply to British ships registered in British India, to all other ships while they are within any port in British India, except ships to which the provisions of section 224F apply.

Load-line certificates of ships not registered in British India.

224K. (1) The provisions of this Part relating to the issue, effect, duration, renewal and cancellation of British India load-line certificates shall apply to ships not registered in British India as they apply to British ships registered in British India subject to the following modifications, namely :—

(*i*) any such certificate may be issued in respect of any such ship as in respect of a ship registered in British India, provided that any such certificate issued in respect

of a ship of 150 tons gross tonnage and upwards carrying cargo or passengers and belonging to a country to which the International Convention respecting Load-Lines, 1930, applies, shall only be valid so long as the ship is not plying on voyages from or to any place in British India to or from any place outside British India and shall be endorsed with a statement to that effect and shall be cancelled by the Governor-General in Council if he has reason to believe that the ship is so plying; and

(*ii*) the survey required for the purpose of seeing whether the certificate should remain in force shall take place when required by the Governor-General in Council.

(2) If the Governor-General in Council is satisfied—

(*i*) either—

(*a*) that by the law in force in any part of His Majesty's dominions outside British India provision has been made for the fixing, marking and certifying of load-line on British ships (or any class or description of British ships) registered in that part of His Majesty's dominions, or

(*b*) that provision has been made as aforesaid by the law in force in any foreign country with respect to ships (or any class or description of ships) of that country and has also been so made (or has been agreed to be so made), for recognising British India load-line certificates as having the same effect in ports of that country as certificates issued under the said provision, and

(*ii*) that the said provision for the fixing, marking and certifying of load-lines is based on the same principles as the corresponding provisions of this Part relating to load-lines and is equally effective,

he may, by notification in the Gazette of India, direct that load-line certificates issued in pursuance of the said provision in respect of British ships (or that class or description of British ships) registered in that part of His Majesty's dominions or in respect of ships (or that class or description of ships) of that foreign country, as the case may be, shall have the same effect for the purpose of this Part as British India load-line certificates :

Provided that such direction shall not apply to ships of 150 tons gross tonnage and upwards carrying cargo or passengers and belonging to countries to which the International Convention respecting Load-Lines, 1930, applies if such ships are engaged in plying on voyages from or to any place in British India to or from any place outside British India.

Certificates to be produced to Customs by ships not registered in British India.

224L. The master of every ship not registered in British India other than ships to which the provisions of section 224G apply shall produce to the officer of Customs from whom a port clearance for the ship from any port in British India is demanded, either a British India load line certificate or a certificate having effect under this Act as such a certificate, being a certificate for the time being in force in respect of the ship, and the port clearance shall not be granted and the ship may be detained until the certificate required by this section is so produced.

Loading of Timber.

Power of Governor-General in Council to make rules as to timber cargo.

224M. (1) The Governor-General in Council shall subject to the condition of previous publication, make rules (hereafter in this section referred to as the 'timber cargo rules') as to the conditions on

which timber may be carried as cargo in any uncovered space on the deck of any ship.

(2) The timber cargo rules may prescribe a special load-line to be used only when the ship is carrying timber as cargo on deck and the conditions on which such special load-line may be assigned, and may further prescribe either generally or with reference to particular voyages and seasons the manner and position in which such timber is to be stowed and the provisions which are to be made for the safety of the crew.

(3) If any provision of the timber cargo rules is contravened in the case of any British ship registered in British India, the master of the ship shall be liable to a fine which may extend to five thousand rupees.

Provided that in any proceedings against a master in respect of a contravention of the timber cargo rules it shall be a good defence to prove that the contravention was due solely to deviation or delay, being deviation or delay caused solely by stress of weather or other circumstances which neither the master nor the owner nor the charterer (if any) could have prevented or forestalled.

(4) Any surveyor authorised in this behalf by the Governor-General in Council may, at any reasonable time, inspect any ship carrying timber as cargo in any uncovered space on her deck for the purpose of seeing whether the timber cargo rules have been complied with.

(5) The foregoing provisions of this section and the timber cargo rules shall apply to ships not registered in British India, while they are within any port in British India as they apply to British ships registered in British India."

26. For the heading to sections 227 and 228 of the said Act and for those sections the following heading and sections shall be substituted, namely :—

Substitution of new sections for sections 227 and 228, Act XXI of 1923.

"*Subdivision Load-Lines.*

Submersion of subdivision load-lines in case of British passenger steamer registered in British India.

227. (1) Where—

(*a*) a British passenger steamer registered in British India has been marked with subdivision load-lines, that is to say, load-lines indicating the depth to which the steamer may be loaded having regard to the extent to which she is subdivided and to which the steamer may be loaded having regard to the space for the time being allotted to passengers, and

(*b*) the appropriate subdivision load-line, that is to say, the subdivision load-line appropriate to the space for the time being alloted to passengers on the steamer, is lower than the load-line indicating the maximum depth to which the steamer is for the time being entitled under the provisions of this Part to be loaded,

the steamer shall not be so loaded as to submerge the appropriate subdivision load-line on each side of the steamer when the steamer has no list.

(2) If any such steamer is loaded in contravention of this section, the owner or master of the steamer shall for each offence be liable to a fine which may extend to one thousand rupees and to such additional fine, not exceeding the amount hereinafter specified, as the Court thinks fit to impose, having regard to the extent to which the earning capacity of the ship was, or would have been, increased by reason of the submersion.

(3) The said additional fine shall not exceed one thousand rupees for every inch or fraction of an inch by which the appropriate subdivision load-line on each side of the ship was submerged, or would have been submerged if the ship had had no list.

(4) Without prejudice to any proceedings under the foregoing provisions of this section, any such steamer which is loaded in contravention of this section may be detained until she ceases to be so loaded.

228. The provisions of section 227 shall apply to passenger steamers not registered in British India while they are within any port in British India as they apply to British passenger steamers registered in British India."

Application of section 227 to steamers not registered in British India.

27. In section 234 of the said Act, after the word "unsafe," the following words shall be inserted, namely :—

Amendment of section 234, Act XXI of 1923.

' or if a ship is detained in pursuance of any provision of this Part which provides for the detention of a ship until a certain event occurs."

28. In section 238 of the said Act, after the word 'unsafe" the following words shall be inserted, namely :—

Amendment of section 238, Act XXI of 1923.

" by reason of the defective condition of her hull, equipments or machinery, or."

29. Section 241 of the said Act shall be omitted.

Repeal of section 241, Act XXI of 1923.

30. After section 242 of the said Act the following sections shall be inserted, namely :—

Insertion of new sections 242A and 242B in Act XXI of 1923.

"242A. (1) On and after such date as the Governor-General in Council may, by notification in the Gazette of India, appoint in this behalf every British ship registered in British India being a passenger steamer of 5,000 tons gross tonnage or upwards shall be provided with a wireless direction-finding apparatus of the prescribed description.

Wireless direction-finding apparatus.

(2) If this section is not complied with in the case of any such ship, the master or owner of the ship shall be liable in respect of each offence to a fine which may extend to two hundred rupees.

242B. (1) Every ship compulsorily equipped under the provisions of section 242 with a wireless telegraph installation shall maintain in the wireless telegraph room a wireless telegraph log in which shall be entered such particulars relating to the operation of the wireless telegraph installation and as to the maintenance of the wireless telegraph service as may be prescribed.

Wireless telegraph log.

(2) The provisions of section 122 shall apply to the wireless telegraph log kept under this section as if it were an official log-book."

31. To sub-section (2) of section 243 of the said Act the following proviso shall be added namely :—

Amendment of section 243, Act XIX of 1923

"Provided that if a valid Safety Convention Certificate is produced in respect of any ship not registered in British India, the inspection shall be limited to seeing that the

ship is provided with a wireless telegraph installation and that the number of certified operators and watches corresponds substantially with the particulars stated in the certificate."

Amendment of section 245, Act XXI of 1923.

32. In clause (*a*) of sub-section (2) of section 245 of the said Act,

(*a*) after the word "installation" the words "and wireless direction-finding apparatus" shall be inserted;

(*b*) after the word "maintained" the words "the form of the wireless log and the particulars to be entered therein" shall be inserted; and

(*c*) the proviso shall be omitted.

Insertion of new sections 254A—245M in Part V, Act XXI of 1923.

33. In Part V of the said Act, after section 245 the following headings and sections shall be inserted, namely:—

"Signalling Lamps."

Signalling lamps.

245A. (1) Every British ship registered in British India being a ship of over 150 tons gross tonnage shall, when proceeding to sea from any port or place in British India to any port or place outside British India, be provided with a signalling lamp of the type approved by the Governor-General in Council.

(2) If any ship proceeds or attempts to proceed to sea in contravention of this section, the owner or master thereof shall for each offence be liable to a fine which may extend to two hundred rupees.

Safety Certificates, Radio-telegraphy Certificates and Exemption Certificates.

Operation of provisions relating to Safety Certificates and Exemption Certificates.

245B. The provisions of this Part relating to Safety Certificates, Qualified Safety Certificates, Safety Radio-telegraphy Certificates and Exemption Certificates, that is to say, the provisions of section 245C to section 245M inclusive, shall have effect only from such date as the Governor General in Council may, by notification in the Gazette of India, appoint in this behalf.

Safety Certificates and Qualified Safety Certificates.

245C. (1) Upon receipt of a declaration of survey granted under Part III in respect of a steamship for which a certificate or survey is required by that Part, the Governor-General in Council shall, if satisfied that the steamship complies with all the provisions as to construction, machinery and equipments (including life-saving appliances, and wireless telegraphy installation) applicable to such steamship under this Act, cause a certificate to be called a Safety Certificate or a Qualified Safety Certificate as the case may be, to be prepared and delivered through such officer as the Governor General in Council may appoint in this behalf to the owner or master of the steamship.

(2) The Safety Certificate shall be in the prescribed form and shall state that the steamship complies with the requirements of the International Convention for the Safety of Life at Sea, signed in London on the 31st day of May, 1929.

(3) The Qualified Safety Certificate shall be in the prescribed form and shall state in what respects the steamship complies with the requirements of the International Convention for the Safety of Life at Sea signed in London on the 31st day of May, 1929.

Safety Radio-telegraphy Certificate.

245D. (1) The owner or master of any British ship registered in British India which is not a passenger steamer but which is required by the provisions of section 242 to be provided with a wireless telegraphy installation and which is intended to ply on voyages from or to any place in British India to or from any place outside British India shall, if the Governor-General in Council is satisfied that the ship complies with all the provisions as to wireless telegraphy applicable to such ship under this Part, receive a certificate to be called a Safety Radio-telegraphy Certificate, to be prepared and delivered through such officer as the Governor-General in Council may appoint in this behalf.

(2) The Safety Radio-telegraphy Certificate shall be in the prescribed form and shall state that the ship complies in respect of wireless telegraphy installation with the requirements of the International Convention for the Safety of Life at Sea, signed in London on the 31st day of May, 1929.

Exemption Certificate.

245E. The owner or master of any British ship registered in British India which is intended to ply on voyages from or to any place in British India to or from any place outside British India and in regard to which the Governor-General in Council has made a declaration under section 126 or an order of exemption under the proviso to sub-section (1) of section 242 shall on application to the officer appointed in this behalf by the Governor-General in Council receive from such officer a certificate in the prescribed form to be called an Exemption Certificate.

Duration of Certificates.

245F. (1) A Safety Certificate, Qualified Safety, Certificate, Safety Radio-telegraphy Certificate or Exemption Certificate issued under the provisions of section 245C, 245D or 245E, shall not remain in force for more than one

year from the date of its issue, nor after notice is given by the authority issuing it to the owner or master of the ship in respect of which it has been issued, that that authority has cancelled the certificate.

(2) If the ship in respect of which any such certificate has been issued is absent from British India at the date when the certificate expires, the authority issuing the certificate, or any person authorised by that authority for the purpose, may, if it appears proper and reasonable so to do grant such extension of the certificate as will allow the ship to return to British India, but no such extension shall have effect for more than five months from the said date.

(3) If the ship in respect of which a Safety Certificate issued under section 245C is in force has on board in the course of a particular voyage a total number of persons less than the number stated in the certificate to be the number for which the life-saving appliances on the ship provide, the owner or master of the ship may obtain from the authority issuing the certificate, or any person authorised by that authority for the purpose, a memorandum to be attached to the certificate stating the total number of persons carried on the ship on that voyage, and the modifications which may be made for the purpose of that voyage in the particulars with respect to life-saving appliances stated in the certificate.

Issue of Certificates to ships of foreign countries.

245G. (1) The Governor-General in Council may, at the request of the Government of a country to which the International Convention for the Safety of Life at Sea, 1929, applies, cause a Safety Certificate or Safety Radiotelegraphy Certificate to be issued in respect of a ship of that country if he is satisfied in like manner as in the case of a British ship registered in British India that such a certifi-

cate can properly be issued, and, where a certificate is issued at such a request, it shall contain a statement that it has been so issued.

(2) With a view to determining the validity in British India of certificates purporting to have been issued in accordance with the International Convention for the Safety of Life at Sea, 1929, in respect of ships not registered in British India, the Governor General in Council shall make such rules as appear to him to be necessary, and for the purpose of the provisions of this Act the expression 'a valid Safety Convention Certificate' means a certificate or certificates complying with such of those rules as are applicable in the circumstances.

(3) Where a valid Safety Convention Certificate is produced in respect of a passenger steamer not registered in British India and there is attached to the certificate a memorandum which—

(*a*) has been issued by or under the authority of the Government of the country to which the steamer belongs, and

(*b*) modifies for the purpose of any particular voyage, in view of the number of persons actually carried on that voyage, the particulars stated in the certificates with respect to life-saving appliances,

the certificate shall have effect for the purpose of that voyage as if it were modified in accordance with the memorandum.

Prohibition on proceeding to sea without certificates.

245H. (1) No British ship registered in British India being a passenger steamer shall proceed on a voyage from any place in British India to any place outside British India unless there is in force in respect of the ship either—

(*a*) a Safety Certificate issued under section 245C, or

(*b*) a Qualified Safety Certificate issued under section 245C and an Exemption Certificate issued under section 245E,

being a certificate or certificates which by the terms thereof is or are applicable to the voyage on which the ship is about to proceed and to the trade in which she is for the time being engaged.

(2) No sea-going British ship registered in British India being a ship of 1,600 tons gross tonnage or upwards other than a passenger steamer, shall proceed on a voyage from any place in British India to any place outside British India unless there is in force in respect of the ship—

(*a*) such certificate or certificates as would be required in her case by the provisions of sub-section (1) if she were a passenger steamer, or

(*b*) a Safety Radio-telegraphy Certificate issued under section 245D, or

(*c*) an Exemption Certificate, issued under section 245E, relating to the wireless telegraphy equipment,

being a certificate or certificates which by the terms thereof is or are applicable to the voyage on which the ship is about to proceed and to the trade in which she is for the time being engaged.

(3) If any ship to which this section applies proceeds, or attempts to proceed, to sea in contravention of this section—

(*a*) in the case of a ship being a passenger steamer, the master or owner of the steamer shall, without prejudice to any other remedy or penalty under this Act, be liable for each offence to a fine which may extend to one hundred rupees for every passenger carried on board the steamship; and

(*b*) in the case of a ship not being a passenger steamer, the master or owner of the ship shall for each offence be liable to a fine which may extend to one thousand rupees.

(4) The master of every ship to which this section applies shall produce to the officer of Customs from whom a port clearance for the ship is demanded the certificate or certificates required by the foregoing provisions of this section to be in force when the ship proceeds to sea, and the port clearance shall not be granted and the ship may be detained until the said certificate or certificates are so produced.

(5) Where an Exemption Certificate issued under section 245E in respect of any ship to which this section applies specifies any conditions on which the certificate is issued and those conditions are contravened, the master or owner of the ship shall for each offence be liable to a fine which may extend to one thousand rupees.

Recognition of certificates issued outside British India.

245I. (1) Where there is produced in respect of any steamship not registered in British India a valid Safety Convention Certificate such certificate shall be accepted as having the same force as the corresponding certificate issued in respect of a ship registered in British India by the Governor-General in Council.

(2) The master of every ship not registered in British India being a passenger steamer or being a ship of 1,600 tons gross tonnage or upwards belonging to a country to which the International Convention for the Safety of Life at Sea, 1929, applies, shall produce a valid Safety Convention Certificate to the officer of Customs from whom a clearance for the ship is demanded in respect of a voyage from a place in British India to a place outside British India, and a clearance shall not be granted and the ship may be detained until such a certificate is so produced.

(3) Where a valid Safety Convention Certificate is produced in respect of a passenger steamer not registered in British India the steamer shall not be deemed to be unsafe for the purposes of section 238 of this Act by reason of the defective condition of her hull, equipments or machinery unless it appears that the steamer cannot proceed to sea without danger to the passengers or crew owing to the fact that the actual condition of the ship does not correspond substantially with the particulars stated in the certificate.

Power of Governor-General in Council to make rules as to certificates.

245J. (1) The Governor-General in Council may, subject to the condition of previous publication, make rules to carry out the purposes of the provisions of this Part relating to Safety Certificates, Qualified Safety Certificates, Safety Radio-telegraphy Certificates and Exemption Certificates.

(2) In particular and without prejudice to the generality of the foregoing power, such rules may prescribe the form of the certificates referred to in sub-sections (2) and (3) of section 245C, sub-section (2) of section 245D, and section 245B, the charging of fees for the grant of such certificates, the amount of such fees, and the manner in which they shall be recoverable.

(3) The Governor-General in Council may delegate to any person the functions assigned to the Governor-General in Council by sections 245C, 245D and 245G of granting a Safety Certificate, a Qualified Safety Certificate or a Safety Radio-telegraphy Certificate in respect of any ships or classes of ships.

Application of sections 139, 139A, 140 and 142 of Act to certificates.

245K. The provisions of sections 139, 139A, 140 and 142 of this Act shall apply to and in relation to every certificate issued by the Governor-General in Council under sections 245C, 245D and 245E in the

same manner as they apply to and in relation to a certificate of survey.

Issue by Foreign Government of Certificate to ships registered in British India.

245L. The Governor-General in Council may request the Government of a country to which the International Convention for the Safety of Life at Sea, 1929, applies, to issue a Safety Certificate or a Safety Radio-telegraphy Certificate in respect of a British ship registered in British India, and a certificate issued in pursuance of such a request and containing a statement that it has been so issued shall have effect for the purposes of this Act as if it had been issued by the Governor-General in Council.

Detention of foreign ships in cases not referred to in section 238.

245M. Where any foreign ship is detained under this Part in any case to which the provisions of section 238 do not apply, or where any proceedings are taken under this Part against the master or owner of any such ship, notice shall forthwith be served on the Consular officer for the country to which the ship belongs at or nearest to the port where the ship is for the time being, and such notice shall specify the grounds on which the ship has been detained or the proceedings have been taken."

Insertion of new Part VA in Act XXI of 1923.

34. After Part V of the said Act the following Part and sections shall be inserted, namely :—

"PART VA."

NAVIGATION.

Method of giving helm orders.

245N. (1) No person on any British ship registered in British India shall when the ship is going ahead give a helm or steering order

containing the word 'starboard' or 'right' or any equivalent of 'starboard' or 'right,' unless he intends that the head of the ship shall move to the right, or give a helm or steering order containing the word 'port' or 'left' or any equivalent of 'port' or 'left,' unless he intends that the head of the ship shall move to the left.

(2) Any person who contravenes the provisions of this section shall for each offence be liable to a fine which may extend to five hundred rupees.

Duty to report dangers to navigation.

245O. (1) The master of any British ship registered in British India on meeting with dangerous ice, a dangerous derelict, a tropical storm or any other direct danger to nagivation shall send information accordingly by all means of communication at his disposal and in accordance with such rules as the Governor-General in Council may make in this behalf to ships in the vicinity and to such authorities on shore as may be prescribed by these rules.

(2) If the master of a ship fails to comply with the provisions of this section, he shall be liable for each offence to a fine which may extend to five hundred rupees.

(3) For the purposes of this section the expression 'tropical storm' means a hurricane, typhoon, cyclone or other storm of a similar nature, and the master of a ship shall be deemed to have met with a tropical storm if he has reason to believe that there is such a storm in the vicinity.

Obligation to render assistance on receiving signal of distress.

245P. (1) The master of a British ship registered in British India on receiving a signal of distress by wireless telegraphy from any other ship shall proceed with all speed to the assistance of the persons in distress unless he is unable or, in the special circumstances of the case

considers it unreasonable or unnecessary to do so, or unless he receives information that his assistance is no longer required.

(2) If the master is unable or in the special circumstances of the case considers it unreasonable or unnecessary to proceed to the assistance of the persons in distress, he shall forthwith send a message by wireless telegraphy informing the master of the ship in distress accordingly, and shall enter in the official log-book his reasons for not going to the assistance of those persons.

(3) Any master failing to comply with the provisions of sub-section (1) shall be liable to imprisonment for a term which may extend to six months, or to a fine which may extend to one thousand rupees, or to both.

(4) Any master failing to comply with the provisions of sub-section (2) shall be liable to a fine which may extend to one thousand rupees.

Power of Governor-General in Council to make rules as to signals.

245Q. (1) The Governor-General in Council, may subject to the condition of previous publication, make rules prescribing—

(*a*) the manner of communicating information regarding dangers to navigation, and the authorities on shore to whom such information is to be communicated.

(*b*) the signals which shall be signals of distress and of urgency, respectively.

(*c*) the circumstances in which and the purposes for which any such signal is to be used, and the circumstances in which it is to be revoked, and

(*d*) the speed at which any message sent by wireless telegraphy in connection with such signal is to be transmitted.

(2) In making any rule under this section the Governor General in Council may direct that the breach of it shall be punishable with fine which may extend to five hundred rupees."

INDIAN (SUNN OR SANN) HEMP.

Proceedings of a meeting of members of the Bombay Chamber of Commerce and others interested in the Hemp trade, held in the rooms of the Chamber on Thursday, 31st August 1933, at 3 p.m.

PRESENT.

Mr. L. A. Halsall (*Vice-President of the Chamber*) In the Chair.
Mr. Meyer Nissim (Messrs. Meyer Nissim & Co.)
Mr. C. A. Russ and Mr. Jal P. Eranee (Messrs. Bell Russ & Co.)
Mr. G. Castelino (Messrs. Grahams Trading Co. (India), Ltd.)
Mr. Chotalal Trikamlal Parekh (Messrs. Kuberdas Raghavji & Co.)
Mr. Jethalal Premji (Messrs. Bhagwandas Premji & Co.)
Mr. Vishanji Lalji (Messrs. Damodar Anandji).
Mr. B. C. Burt, Agricultural Expert to the Imperial Council of Agricultural Research.
Mr. H. Royal (*Ag. Secretary of the Chamber*).

Mr. Halsall in introducing Mr. Burt stated that the main questions which it was desired to discuss with him were :—

(1) The possibility of standards being fixed either (a) for all seasons, or (b) for f. a. q. of each season ;

(2) The bodies or persons who would make up the standards ; and

(3) The steps that were being taken and proposed by the Imperial Council of Agricultural Research for improvement of quality of Indian grown hemp.

With regard to (1), Mr. Burt stated that in his view the establishment of standards was of great importance because

(*a*) buyers desired regularity in the qualities of hemp which they purchased and (*b*) cultivators and up-country

dealers would be provided with definite standards up to which they would have to work, and this would lead to a general improvement in the qualities, methods of cleaning, packing, etc. It was his opinion that unless an improvement as regards the regularity of quality of hemp exported could be brought about at no distant date India would lose her markets to Russian and Italian hemps.

A general discussion then followed as a result of which the meeting unanimously recommended the abolition, at least for some years, of the f. a. q. contract as one of the first steps towards better regulation of this trade. The representatives present were in agreement that much of the hemp shipped under this contract as f. a. q. of a season was, in fact, not of such description, but so inferior as to make it extremely difficult, if not impossible, for a shipper who really tried to supply a reasonably good standard to compete as regards price.

With regard to the fixation of standards, it was the general opinion that it is not practicable at the present stage of organisation of the trade to fix standards which would be constant for all seasons, as there was too much variation in the quality of the crops. It was admitted that it might be possible to arrive at agreed standards for each season, and it was decided that further discussions should take place between representatives of the trade on this subject, and also as to the authority who should be responsible for making up what standards might be considered practicable and desirable. In the meantime it was necessary to know as early as possible how the London Hemp Association viewed the proposal to abolish the f. a. q. contract.

Even if it were eventually found to be impracticable at present to adopt standards, either constant from season

to season or f. a. q. of each season, it was the unanimous opinion of the meeting that the abolition of the f. a. q. contract would automatically result in an improvement in the quality of Indian hemp.

Mr. Burt in explaining what had been done by the Imperial Council of Agricultural Research for the improvement of Indian hemp stated that an endeavour was being made to extend the cultivation of improved seed and a campaign had been started with the object of introducing cleaner retting. He thought that better packing might be introduced by the establishment of Co-operative Marketing Societies who would be able to supply shippers direct. Experiments were also being made to ascertain the best period for retting in order to overcome over-retting, etc. Mr. Burt felt that steps should be taken to organise the trade and that to this end one of the first questions to be settled was the establishment of fixed standards, already referred to.

He suggested that the cleaning, sorting and baling might be done upcountry, but the meeting was against this as it was considered that owing to the great diversity of the quality of hemp grown in individual districts this would not be feasible, and it would be preferable, as at present, for the hemp to be sorted and baled at Bombay or Calcutta.

Mr. Burt said that the Agricultural Department in each province had district staffs whose duty it was to give advice to cultivators and to demonstrate agricultural improvements. Efforts were being made by these staffs to encourage cultivators to improve the quality of their hemp. It was suggested to Mr. Burt that Pilibhit, Raipur, Ghansoor and Devghad would be suitable centres for special efforts in this direction.

Mr. Burt promised to forward to the Indian Trade Commissioner in London for discussion with the London Hemp Association the suggestion of the meeting for the abolition of the f. a. q. contract and to report as early as possible the view of the London Hemp Association on the proposal.

Mr. Halsall thanked Mr. Burt for giving those interested in the trade an opportunity of meeting him and placing their views before him and also apologised for the unavoidable absence of the President of the Chamber, who had been away at Poona for the Legislative Council meetings and had only returned to Bombay that day.

EXPORT OF GROUNDNUT OIL IN BULK FROM INDIA TO THE UNITED KINGDOM.

Proceedings of a meeting of members of the Bombay Chamber of Commerce and others interested in the groundnut oil trade held on Monday, 6th March 1933, at 3 p.m. (S.T.)

PRESENT.

Sir Hugh Cocke, Kt. (*President*).

Mr. G. S. Taunton.
Mr. J. G. Milne.
Mr. W. L. A. Radcliffe.
Mr. J. H. F. Raper.
Mr. G. E. Berkley.
Mr. I. B. Dick
Mr. A. Achlimbari.
Mr. G. S. Patel.
Mr. G. H. Rawjee.
Mr. R. D. Fraser.
Mr. D. Harrington.
Mr. R. H. Tucker.
Mr. F. Mosely.
Mr. G. E. Bennett.
Mr. C. N. Rich.
Mr. A. F. Watts,
and
Mr. R. J. F. Sulivan, (*Secretary*).

The President gave a summary of the correspondence (*vide* Chamber's Excerpts for November) and explained the present position of the export trade in groundnut oil. He

pointed out that the export of groundnut oil for the ten months to 31st January 1933 was 2,470 tons compared with 1,739 tons in the ten months to 31st January 1932. The preference to Empire shippers of Groundnut Oil to the United Kingdom was now about £4 per ton. They had met to discuss the possibilities of developing the export of oil in bulk and he invited the representatives of the trade to give their views in the first instance.

Mr. G. S. Patel of the Swastic Oil Mills Ltd., said that he estimated the maximum output of all the mills in Bombay at 5,000 tons a month, half of which would be available for export. He himself had booked shipments aggregating 2,000 tons for the first four months of this year and he believed he could have sold 3 or 4 times as much had facilities for handling in bulk been available. At present the trade was a seasonal one but given tank waggons and storage he thought Bombay would be in a position to compete with other markets throughout the year.

In reply to a question by Mr. Raper of the G. I. P. Railway Mr. Patel expressed the opinion that the present export trade in groundnuts would be affected to only a slight extent by an expansion of the trade in groundnut oil, because the acreage under groundnuts was being increased and was capable of further increase. For the same reason he would not attach too much importance to the suggestion of Mr. Bennett of the Port Trust that increased consumption on the part of local soap and vegetable product factories would seriously affect the amount of groundnut oil available for export.

Mr. G. H. Rawjee, of Messrs. Habib Rawjee & Co., whose production is about 250 tons a month, endorsed generally Mr. Patel's remarks.

Mr. C. N. Rich of the Port Trust said that the administration had examined the question up to a point and they found it would be possible to provide, by the conversion of old stock, six tank waggons having a total capacity of 100 tons at a cost of approximately Rs. 7,500. In the present somewhat uncertain position of the trade they did not feel justified in recommending the Trust to undertake even this comparatively small capital outlay. There was only one important shipper who was in a position to avail himself of the facility if it were provided and Mr. Rich suggested that he should bear the cost on the understanding that the waggons were reserved for his sole use and he were granted concessional rates over the railway to enable him to recoup himself. The Port Trust had experience in the past of providing at considerable expense facilities that were not taken advantage of and they had to proceed very cautiously, more particularly in this case as they would to all practical purposes be dependent on the custom of one concern. The other oil factories had a limited output and were situated in various parts of the city to the west of Frere Road with no possibility of being connected with the docks by rail. There was plenty of space available on Port Trust land for the erection of crushing plants.

Speaking on behalf of Messrs. Mackinnon Mackenzie & Co., Mr. G. S. Taunton said he thought the steamer companies would provide tank space provided they were assured of an adequate volume of trade. He suggested that 500-1000 tons per vessel would justify the steamer companies in installing tanks.

Mr. F. Moseley of the B. B. & C. I. Railway corrected a misstatement in the Chamber's Excerpts for November. He said the B. B. & C. I. Railway had six tank waggons

allotted for the carriage of vegetable oil. They had been lying idle upcountry for some months past.

Summing up the discussion the President said it seemed to him that the trade showed considerable possibilities of expansion but at present they appeared to be moving rather in a vicious circle and of all the parties interested none wished to take the first step. It appeared to him that the initiative should come from the shippers. If they could guarantee a regular output of oil for export of sufficient volume he felt confident all parties would co-operate and share the responsibility for incurring the capital expenditure necessary. If any fresh facts or possibilities emerged which rendered another meeting desirable the Chamber would be pleased to call one.

RULES OF THE BOMBAY NATIVE SHARE AND STOCK BROKERS' ASSOCIATION.

Letter No. 2902-D, dated 27th February 1933, from the Deputy Secretary to the Government of Bombay, Finance Department, to the Secretary, Chamber of Commerce Bombay.

Subject :—Amendments to rules of the Native Share and Stock Brokers' Association.

I am directed to invite the attention of your Chamber to Government Notification, Finance Department, No. 2902-D, dated 20th February 1933, on the subject specified above. A copy of the Notification which has been published at pages 475 to 480 of part I of the Bombay Government Gazette, dated 23rd February 1933, is enclosed herewith for ready reference.

FINANCE DEPARTMENT.

Bombay Castle, *20th February* 1933.

No. 2902-D.—In pursuance of the provisions of sub-section (3) of section 5 of the Bombay Securities Contracts

Control Act, 1925 (Bom. VIII of 1925), the following amendments made by the Native Share and Stock Brokers' Association, Bombay, in the rules for the regulation and control of transactions in securities (other than ready delivery contracts) published in Government Notification in the Finance Department, No. 2902-A, dated the 14th May 1927, are published for general information. They will be taken into consideration by the Governor in Council on or after the expiry of one month from the date of publication of this notification.

The numbers of the lines cited in the amendments should be read with reference to the 1929 Edition of the Rules of the Association :—

(1) In the second line of rule 2 (*c*) for the words "a special" the words "an extraordinary" shall be substituted.

(2) In the second line of rule 2 (*d*) for the words "a special" the words "an extraordinary" shall be substituted.

(3) In the first line of rule 11 (*a*) after the word "may" the words "with the sanction of the Board" shall be added.

(4) In the third line of rule 20, for the word "an" the word "such" shall be substituted; and the words "of Rs. 30,000 or such other sum" shall be deleted.

(5) In the first and second lines of rule 22 for the words "two calendar months" the words "fifteen days" shall be substituted.

(6) In the heading of rule 28 (*c*) the last two words "or suspend" shall be omitted.

(7) In the first line of rule 28 (*c*) after the word "Resolution" the words "for expulsion" shall be added.

(8) In the second line of rule 32, the words "suspension or" shall be deleted.

(9) In the seventh line of rule 42, after the word "applied" the words "as provided in rule 146" shall be added.

(10) In the ninth line of rule 42 for the word "transaction" the word "contract" shall be substituted.

(11) In the heading of rule 54 (*b*) for the word "act" the word "bargains" shall be substituted.

(12) In the first line of rule 54 (*b*) the words "all acts done and" shall be deleted.

(13) In the second line of rule 54 (*b*) for the words "his behalf" the words "the market" shall be substituted.

(14) In the first line of rule 55 (*c*) for the word "acts" the word "bargains" shall be substituted.

(15) In the fifth, sixth and seventh lines of rule 67 (*b*) the words "and by advertisement published in not less than one English and one Gujarati daily newspaper not less than three days before the date appointed for the meeting" shall be deleted; and at the end of the said rule the words "posted not later than three days before the date appointed for the meeting" shall be added.

(16) In the third line of rule 67 (*c*) the words "advertisement and" shall be deleted.

(17) In the first, second and third lines of rule 68 (*b*) the words "by advertisement in not less than one English and one Gujarati daily newspaper published in Bombay, not less than three days before the date appointed for the meeting and" shall be deleted; and at the end of the said rule the words "as aforesaid" shall be added.

(18) In the head-note to rule 69 (*a*) for the word "Special" the word "Extraordinary" shall be substituted.

(19) In the first line of rule 69 (*a*) after the word "President" the words "or the Secretary" shall be added.

(20) In the second line of rule 69 (*a*) for the words "a special" the words "an extraordinary" shall be substituted.

(21) In the third, fourth and fifth lines of rule 69 (*a*) the words "by advertisement to be inserted in at least one English and one Gujarati daily newspaper published in Bombay at least three days before the date appointed for such meeting and" shall be deleted; and at the end of the said rule the words "as aforesaid" shall be added.

(22) In the second line of rule 69 (*b*) for the words "a special" the words "an extraordinary" shall be substituted.

(23) In the fourth line of rule 69 (*c*) for the word "special" the word "extraordinary" shall be substituted.

(24) In the fourth line of rule 69 (*c*) the words "advertisement and" shall be deleted.

(25) In the seventh line of rule 73, for the word "Special" the word "Extraordinary" shall be substituted.

(26) In the first line of rule 79 (*a*) for the word "December" the word "March" shall be substituted.

(27) In the second line of rule 80 for the word "December" the word "March" shall be substituted.

(28) In the second line of rule 83 (*c*) after the word "candidate" the words "nor shall he be entitled to give a smaller number of votes than the number of vacancies to be filled in" shall be added.

(29) At the end of rule 85, the words "and if there be still a vacancy the Board shall fill it up" shall be added.

(30) Rule 89 shall be re-numbered rule 89 (*a*) and the following sub-rule shall be inserted, namely:—

"*Resolution by circular.*

89 (*b*) A resolution in writing approved by not less than one-half of the total number of the members of the Board,

unless a special majority is otherwise required by any rule for the time being in force, shall be as valid and effective as if it had been passed at a meeting of the Directors duly called and constituted."

(31) In the seventh line of rule 100 (*c*) for the words "a special" the words "an extraordinary" shall be substituted.

(32) In the eleventh line of rule 101, before the first word "suspension" the words "altering hours of business" shall be added.

(33) In the second line of rule 135 (*a*) after the word "liabilities" the words "to other members" shall be added.

(34) In the fourth line of rule 145 (*a*) for the words "transaction or dealing" the words "contract between a member and such defaulter" shall be substituted.

(35) In the second line of rule 145 (*b*) for the words "transaction or dealing" the words "contract between a member and such defaulter" shall be substituted.

(36) At the end of rule 145 (*b*) the following sentence shall be added, namely :—

"nor shall it entertain any claim against a defaulter, in respect of any contract unless a comparison shall have been made by initialling the entries as provided in rule 198 or a contract note shall have been rendered as provided in rule 189 and receipt for the same obtained either on the duplicate or counterpart of such contract note or in the peon's book stating the date and number of the contract rendered."

(37) In the last but one line of rule 146 (*a*) for the word "defaulter" the words "Defaulters' Committee" shall be substituted.

(38) At the end of rule 146 (*a*) (4) the words "provided that such Note shall not be barred by the Law of Limita-

tion and was accepted by way of arrangement of compromise made by the defaulter with his creditors with the sanction of the Board of Directors" shall be added.

(39) In the fifth line of rule 150 (*b*) after the word "amount" the words "or any portion thereof as may be fixed by the Board" shall be added.

(40) In the fourth line of rule 164 for the word "shall" the word "may" shall be substituted.

(41) In the fourth and fifth lines of rule 171 (*a*) the words "either of the members or" shall be deleted.

(42) At the end of rule 171 (*c*) the following sentence shall be inserted namely:—

"Where a member accepts a Havala on behalf of his constituent it shall be, unless otherwise agreed upon by them in writing, at the risk and on account of the constituent who shall be deemed to indemnify the member accepting such Havala against any loss suffered by him by reason of his having accepted the Havala."

(43) For rule 176, the following rule shall be substituted, namely:—

"176. A member shall not transact any business with or execute any order for an authorised clerk except for and on account of his employer."

(44) For rule 188, the following rule shall be substituted, namely:—

"188 (*a*). In the case of panics or bear raids or reckless heavy sales or when prices of securities are unduly depressed the Board may by a resolution in a crisis, of not less than one-half of the total number of members of the Board at a special meeting at which not less than three-fourths of the total number shall have been present.

(1) suspend all further dealings in such security or securities for such period as the Board may from time to time decide;

(2) extend the time for payment of the securities to the next settlement and if necessary to the following settlements provided that the sanction of Government shall be obtained before the time for payment is extended beyond a period exceeding the next two settlements, and suspend at the same time the selling-out rule with respect to all unsettled contracts in such security or securities. The liability of intermediaries shall continue during such suspension. The buyer shall, however, be entitled to enforce delivery at any of such settlements. If the buyer after issuing tickets (Kapli) for taking delivery fails to take up and pay for all or any of such securities on Pay Day, a penalty of 2 per cent. on the making-up price shall be imposed upon him irrespective of any other liability. If the seller fails to give such delivery, the buyer shall be entitled to buy in and it shall not be necessary to open the market for such buying-in.

(*b*) If within fifteen minutes of the time fixed for the special meeting three-fourths of the total number of members of the Board are not present the members present shall co-opt as provided in rule 96 (*b*);

(*c*) When the Board extends the time for payment under sub-clause (*a*), the Board shall by a resolution—

(1) fix from time to time the making-up prices for such securities. For the first settlement such making-up prices shall be slightly higher than the prices of such securities prevailing in the market prior to the suspension of business. For each subsequent settlement the Board may reduce the making-up prices as they may deem fit in case of each security but in no case such reduction shall exceed

5 per cent. of the previous making-up prices. All contracts remaining unsettled at the end of such settlement shall be carried over to the following settlement at such making-up prices. All accounts shall be adjusted with such making-up prices and the differences shall be payable on the Pay Day fixed for the settlement;

(2) fix from settlement to settlement budlee gala (contango) for such securities determined on the basis of interest at a rate not less than 6 per cent. nor more than 9 per cent. per annum on such making-up prices payable by the buyer to the seller.

(*d*) Members shall render contract notes as provided in rule 189 to non-members in respect of each such carry-over and shall be entitled to charge brokerage not exceeding one-half of the usual rate prescribed in Appendix G.

(*e*) If a member is declared a Defaulter, all members having dealings with him may close all outstanding contracts either forthwith at the making up prices fixed by the Board and shall give immediate notice of the same in writing to the Defaulters' Committee, or by purchase or sale, as the case may be, in the market on the day of its re-opening.

(*f*) If a constituent fails to pay on the Pay Day the differences due by him to his broker the latter may close all outstanding contracts either at any time thereafter in his discretion during the time such constituent is in default at the making-up prices fixed by the Board or by purchase or sale as the case may be in the market on the day of its re-opening and any balance due on such closing shall be immediately payable by such constituent to his broker."

(45) In the fourth line of rule 189 (*a*) for the word "scales" the word "scale" shall be substituted.

(46) In the sixth line of rule 189 (*a*) for the words "one of the forms" the words "Form A" shall be substituted.

(47) In the fifth line of rule 189 (*b*) for the words "one of the forms" the words "Form A" shall be substituted.

(48) In the first line of rule 189 (*c*) for the words "or selling his own securities" the words "for himself the securities of his constituent or selling his own securities to his constituent" shall be substituted.

(49) In the second and third lines of rule 189 (*c*) the words "that fact shall be clearly stated on the contract note; in such case" shall be deleted.

(50) In the first line of rule 190 for the word "principal" the word "constituent" shall be substituted.

(51) In the third line of rule 201 after the word "pay" the words "before 4 p.m." shall be added.

(52) In the seventh line of rule 207 for the word "clearance" the word "clearing" shall be substituted.

(53) Rule 221 shall be re-numbered rule 221 (*a*) and the following sub-rule shall be inserted namely:—

"*Dividend on Debentures.*

221 (*b*). In all transactions for debentures the seller is entitled to the interest till the date of payment, but if the seller fails to deliver the debentures within seven days from the date of sale interest shall cease."

(54) For rule 229(*a*) the following rule shall be substituted, namely:—

"*Regularity and Genuineness of Documents.*

229(*a*). A Member who receives payment against delivery of all necessary documents either on his own

account or on behalf of his constituent shall be personally responsible to the Member to whom the same are delivered for their regularity and genuineness provided the documents are lodged with the company for registration within fifteen days of the date of receipt of such documents by him. If the documents are not lodged within the prescribed period of fifteen days the liability of the Member who receives payment on behalf of his constituent shall cease except in the case of fraud or bad faith on the part of such Member."

(55) For rule 230, the following rule shall be substituted, namely :—

"*Replacement of Irregular Documents and Refund.*

230. If a Member to whom the documents are delivered gives intimation in writing to the Member who delivered them of his objection as to their regularity or genuineness as soon as they come to his knowledge, the Member who delivered them shall within a week from the date of such intimation remove any irregularity or establish the genuineness of the documents as the case may be, or deliver other and regular and genuine documents, but in the event of such Member failing to deliver such other documents, he shall refund on return of the documents the monies paid against such documents, provided that the documents were lodged for registration within fifteen days from the receipt thereof as provided by rule 229(*a*)."

(56) In the first line of rule 241(*a*) the word "forward" shall be deleted.

(57) In the first and second lines of rule 242 the words "for the account" and the word "forward" shall be deleted.

(58) In the fourth line of rule 242 after the word "transaction" the words "within or without the market" shall be added.

(59) In the eighth line of rule 242 for the words "at any time between 12 noon and" the word "till" shall be substituted.

(60) In the second line of rule 244(*a*) after the word "company" the words "or in any security" shall be added.

(61) In the fifth line of rule 244 (*a*) the word "half" shall be deleted.

(62) At the end of rule 245, the following shall be added, namely :—

"The Board of Directors may by a resolution passed at a meeting at which not less than three-fourths of the total number shall have been present cancel from time to time any of the Association's holidays for a particular year."

(63) In the third line of rule 246 for the word "upon" the word "on" shall be substituted.

(64) At the end of rule 252 (*c*) (*ii*) the words "to a reasonable amount not exceeding the issued capital" shall be added.

(65) In rule 252 (*c*) (*iii*) after the word "secure" the letter "d" shall be added.

(66) At the end of rule 252 (*c*) (*iv*) the words "and there shall not be any restriction on the transfer of fully paid shares" shall be added.

(67) At the end of rule 252 (*c*) (*v*) the following sentence shall be added :—

"and in the case of contributory shares the company may have a lien only for all monies called or payable at a fixed time in respect of such shares."

(68) In the first line of rule 252 (*g*) after the word "following" the words "documents and" shall be added.

(69) In the first and second lines of rule 252 (*g*) for the words "have been supplied to the Association in writing" the words "be sent to the Association" shall be substituted.

(70) After sub-rule 252 (*h*) the following sub-rule shall be inserted, namely :—

"*Reports and Changes in Directorate.*

252(*i*) The Company shall have undertaken

(1) to forward to the Association copies of Statutory and Annual Report and Accounts as soon as issued ; as well as

(2) to notify the Association of any changes in the Directorate by death, resignation or removal."

(71) After clause (5) of rule 254 (*a*) the following clause shall be inserted, namely :—

"(6) The Company agrees to pay an annual fee in respect of the Clearing Charges, if required."

(72) In the fifth line of rule 255 for the words "for reasons" the words "for breach or non-compliance with any of the conditions of the foregoing clauses" shall be substituted.

(73) In the second line of clause (2) of sub-rule 268 (*b*) the words "transactions entered into and" shall be deleted.

(74) In the second line of clause (3) of sub-rule 268 (*b*) the words "transactions entered into or" shall be deleted.

(75) In the first and sixth lines of rule 269, after the word "representatives" the words "or the persons mentioned in Appendix C" shall be added.

(76) After rule 278 (*a*) the following sub-rule shall be inserted, namely :—

"278 (*b*). A constituent shall pay to his broker all sums which his broker is liable to pay on behalf of his constituent and such payment must be made in time to enable the broker to comply with the provisions of the rules relating to such payment."

(77) Rule 278 (*b*) shall be re-numbered rule 278 (*c*).

(78) At the end of rule 324 the following sentence shall be added, namely :—

"If the Board postpones the Pay Day fixed for any settlement to a period beyond a week the Board shall by a resolution fix the budlee gala (contango) payable by the purchaser to the seller for each security on the basis of the budlee gala of the previous settlement."

(79) In the second line of rule 351 (*b*) the word "fourteen" shall be substituted by the word "seven".

(80) In the second line of rule 358 after the word "President" the words "or the Secretary" shall be added.

(81) In the second line of rule 363 for the words "is entitled to" the word "shall" shall be substituted.

(82) In the last line of rule 364 (*a*) the words "have the right to" shall be deleted.

(83) At the end of rule 373 the following shall be inserted, namely :—

"*Scale of Brokerage for Negotiation of Loans.*

Subject to a maximum of 3/16 per cent. a member may charge as brokerage at rates not exceeding 1/64 per cent. per month on the amount of the loan against securities of the Government of India, Local Governments, debentures and stock of Port Trusts, Municipal Corporations and such other securities."

(84) In Appendix G the last three words "or Badli business" shall be deleted.

(85) At the end of Appendix G, the following shall be inserted, namely :—

"*Scale of Brokerage for Negotiation of Loans.*

Subject to a maximum of a ¾ per cent. a member may charge as brokerage at rates not exceeding 1/16 per cent. per month on the amount of the loan against securities of joint stock companies."

Letter No. 830/161, dated 25th March 1933, from the Secretary, Bombay Chamber of Commerce to the Deputy Secretary to the Government of Bombay, Finance Department, Bombay.

I have the honour to acknowledge receipt of your letter No. 2902-D of the 27th ultimo, drawing attention to Government Notification, Finance Department, No. 2902-D of the 20th February 1933, publishing certain amendments of the rules of the Native Share and Stock Brokers' Association.

My Committee have carefully considered the proposed amendments and are of opinion that there are certain objectionable features in them which would interfere with the legitimate rights of the members as well as the investing public. I am accordingly to submit the following comments thereon.

Amendment No. 28, Rule 83C.

My Committee do not understand why the Board should interfere with the free exercise of a member's voting power. If a member desires not to exercise all his votes they see no reason why he should be compelled to exercise them.

Amendment No. 30, *Rule* 89.

Although the resolutions of industrial concerns in minor matters are passed by circulation, my Committee are of opinion that this procedure ought not to be followed by the Stock Exchange. The implications of a resolution can only be brought out by a full and open discussion and all important resolutions should be brought before the Board meetings.

Amendment No. 41, *Rule* 171(*a*).

My Committee consider that this amendment should not be made and the rule should remain as it is at present.

Amendment No. 49, *Rule* 189(*c*).

Under the present rules all contracts entered into by a member of the Stock Exchange on his own account with a constituent are made out on Form "A" while those entered into by him as a broker on account of a Principal are made out on Form "B". The prevailing system sufficiently safeguards the interests of investors and there does not appear to be any need for a change. My Committee are of opinion that the Board has made out no case for any alteration.

Amendment No. 50, *Rule* 190.

My Committee consider that this rule should be so amended as to make it incumbent on a member to charge brokerage to one of his constituents only, *viz.* the seller. By the amendment suggested by the Stock Exchange there would be double brokerage on a single transaction, instead of, as hitherto, one brokerage from the seller. Even though a transaction is carried through directly between two non-members my Committee do not see why two brokerages should be charged on a single transaction.

Amendment No. 54, Rule 229(a).

The period of 15 days is, my Committee feel, too short and is likely to jeopardise the interests of a buyer, for a seller would refuse to guarantee a good transfer beyond this period. It would probably require a fortnight or more to get a transfer deed signed in the case of an upcountry or foreign buyer. The period referred to in this amendment should, therefore, be increased.

Amendment No. 71, Rule 254(a).

My Committee do not understand why companies whose shares are quoted on the forward list should be required to pay any fees in respect of clearing charges. Forward trading in shares is permitted for the benefit of investors as well as members of the Stock Exchange. The Clearing House is intended for the convenience of the Exchange and the Companies who derive no benefit therefrom should not be asked to pay any fees. My Committee are informed that on the London Stock Exchange buyers and sellers pay even the cost of the broker's contract stamps.

Amendment No. 79, Rule 351.

For the reasons given under Amendment No. 54, Rule 229 *(a)* no change should be allowed in the existing practice in respect of delivery against cash bargains.

Letter No. 2902-D, dated 11th March 1933, from the Deputy Secretary to the Government of Bombay, Finance Department, to the Secretary, Chamber of Commerce, Bombay.

Subject: Amendments to rules of Native Share and Stock Brokers' Association.

I am directed to invite the attention of your Chamber to Government Notification, Finance Department, No. 2902-D, dated 6th March 1933, on the subject specified above. A

copy of the Notification which has been published at page 604 of Part I of the Bombay Government Gazette dated 9th March 1933, is enclosed herewith for ready reference.

FINANCE DEPARTMENT.

Bombay Castle, 6th March 1933.

No. 2902-D.—In accordance with the provisions of sub-section (3) of section 5 of the Bombay Securities Contracts Control Act, 1925 (Bom. VIII of 1925), the following amendments made by the Native Share and Stock Brokers' Association, Bombay, in the rules for the regulation and control of transactions in securities (other than ready delivery contracts) published in Government Notification in the Finance Department, No. 2902-A, dated the 14th May 1927, are published for general information. They will be taken into consideration by the Governor in Council on or after the expiry of one month from the date of publication of this notification.

The numbers of the lines cited in the amendments should be read with reference to the 1929 Edition of the Rules of the Association :—

In the third line of rule 254(*a*) for the words " provided that " the words " subject to " shall be substituted and in the fourth line of the same rule the words " are complied with " shall be deleted.

In the second line of clause (3) of rule 254 (*a*) for the word " their " the word " its " shall be substituted ; and after the word " application " the words " for admission under this rule " shall be added.

At the end of rule 254 (*b*), the following shall be added, namely :—

" Provided that the Board of Directors may by a resolution passed by not less than three-fourths of the total number of Directors admit to dealings for Account and Settlement under this rule the shares of a company

which has not complied with condition 3 but which shall have been incorporated for not less than three years previous to the date of its application for the admission of its shares."

Letter No. 880/161, dated 1st April 1933, from the Secretary, Bombay Chamber of Commerce to the Deputy Secretary to the Government of Bombay, Finance Department, Bombay.

I am directed to acknowledge receipt of your letter No. 2902-D, dated 17th ultimo, forwarding a copy of Government Notification, Finance Department, No. 2902-D, dated 6th idem, in connection with certain amendments to the rules of the Native Share and Stock Brokers' Association.

2. After consultation with the Finance Sub-Committee of the Chamber my Committee have no objection to the purely verbal alterations in the 3rd and 4th lines of rule 254(*a*) and in the 2nd line of rule 254(*a*) (3). They are, however, strongly opposed to the addition to rule 254(*b*) of a clause modifying the effect of rule 254(*a*) (3). This clause was framed after careful consideration by the Atlay Committee who had in mind the paramount interest of the investing and general public and my Committee consider that it provides a necessary and valuable safeguard. They are opposed to any relaxation of the conditions governing admission to the forward list.

Letter No. 2902-D, dated 20th May 1933, from the Deputy Secretary to the Government of Bombay, Finance Department, to the Secretary, Chamber of Commerce, Bombay.

Subject: *Amendment of rules of the Native Share and Stock Brokers' Association.*

I am directed by the Governor in Council to invite the attention of your Chamber to Government Notification

No. 2902-D, dated 16th May 1933, on the subject mentioned above. A copy of that Notification which has been published at page 1088 of Part I of the Bombay Government Gazette of 18th May 1933 is enclosed for ready reference.

FINANCE DEPARTMENT.

Bombay Castle, 16th May 1933.

No. 2902-D.—In pursuance of the provisions of sub-section (3) of section 5 of the Bombay Securities Contracts Control Act, 1925 (Bom. VIII of 1925), the following amendments made by the Native Share and Stock Brokers' Association, Bombay, in the rules for the regulation and control of transactions in securities (other than ready delivery contracts) published in Government Notification in the Finance Department, No. 2902-A, dated the 14th May 1927, are published for general information. They will be taken into consideration by the Governor in Council on or after the expiry of one month from the date of publication of this notification.

The numbers of the lines cited in the amendments should be read with reference to the 1929 Edition of the Rules of the Association :—

(1) In the last line of rule 296 (*a*) for the last two words "Pay Day" the words "last day fixed by the Board of Directors for the delivery of securities" shall be substituted.

(2) In the fourth and fifth lines of rule 214 (*e*) for the words "business day next after the Pay" the word "Settling" shall be substituted.

(3) In the third line of rule 356, for the word "Account" the word "Ticket" shall be substituted.

(4) In the last line of rule 358 for the word "Account" the word "Ticket" shall be substituted.

(5) In the first line of rule 360 (*c*) the words "The market will be closed at 2 p.m. on the Ticket Day" shall be deleted; and in the second and third lines, for the words "at or before this time" the words "on the day preceding the Ticket Day" shall be substituted.

Letter No. 1389/161, dated 2nd June 1933, from the Acting Secretary, Bombay Chamber of Commerce to the Deputy Secretary to the Government of Bombay, Finance Department, Bombay.

I have the honour to acknowledge receipt of your letter No. 2902-D of the 20th ultimo and in reply to state that my Committee have no objections to raise to the amendments of the Rules of the Native Share and Stock Brokers' Association published in Notification No. 2902-D of the 16th idem.

Letter No. 2902-D, dated 3rd July 1933, from the Financial Secretary to the Government of Bombay to the Secretary, Chamber of Commerce, Bombay.

Subject: *Amendments to Rules of the Native Share and Stock Brokers' Association.*

I am directed to invite the attention of your Chamber to Government Notification, Finance Department, No. 2902-D-II dated 23rd June 1933 on the subject mentioned above published at page 1484 of Part I of the Bombay Government Gazette dated 29th June 1933. A copy of that Notification is enclosed for ready reference.

FINANCE DEPARTMENT.

Bombay Castle, 23rd June 1933.

No. 2902-D-II.—In pursuance of the provisions of sub-section (3) of section 5 of the Bombay Securities Contracts Control Act, 1925 (Bom. VIII of 1925) the following amendment made by the Native Share and Stock Brokers' Associa-

tion, Bombay, in the rules for the regulation and control of transactions in securities (other than ready delivery contracts) published in Government Notification in the Finance Department No. 2902-A, dated the 14th May 1927, is published for general information. It will be taken into consideration by the Governor in Council on or after the expiry of one month from the date of publication of this notification.

The numbers of the lines cited in the amendment should be read with reference to the 1929 Edition of the Rules of the Association :—

In the last but one and the last lines of rule 296 (*a*) for the words "immediately preceding the Pay Day" the words "fixed by the Board in that behalf" shall be substituted.

Letter No. 1734/161, dated 20th July 1933, from the Acting Secretary, Bombay Chamber of Commerce to the Financial Secretary to the Government of Bombay, Finance Department, Bombay.

I have the honour to acknowledge with thanks the receipt of your letter No. 2902-D of the 3rd instant drawing attention to Government Notification, Finance Department, No. 2902-D-II, dated 23rd June 1933, publishing an amendment made by the Native Share and Stock Brokers' Association, Bombay, in Rule 296(*a*) of the rules for the regulation and control of transactions in securities (other than ready delivery contracts).

In reply I am to state that my Committee have no objections to raise to the proposed amendment. It is presumed from the terms of the abovementioned notification, that the previous amendment of Rule 296(*a*) quoted in Notification No. 2902-D of the 16th May 1933 was not adopted.

CHILDREN (PLEDGING OF LABOUR) ACT.

(*See Report* 1932, *page* 255.)

ACT NO. II OF 1933.

[PASSED BY THE INDIAN LEGISLATURE.]

(*Received the assent of the Governor-General on the 24th February*, 1933.)

An Act to prohibit the pledging of the labour of children.

WHEREAS it is expedient to prohibit the making of agreements to pledge the labour of children, and the employment of children whose labour has been pledged ; It is hereby enacted as follows :—

Short title, extent and commencement.

1. (1) This Act may be called the Children (Pledging of Labour) Act, 1933.

(2) It extends to the whole of British India, including British Baluchistan and the Sonthal Parganas.

(3) This section and sections 2 and 3 shall come into force at once, and the remaining sections of this Act shall come into force on the first day of July, 1933.

Definitions.

2. In this Act, unless there is anything repugnant in the subject or context,—

" an agreement to pledge the labour of a child " means an agreement, written or oral, express or implied, whereby the parent or guardian of a child, in return for any payment or benefit received or to be received by him, undertakes to cause or allow the services of the child to be utilised in any employment :

Provided that an agreement made without detriment to a child, and not made in consideration of any benefit other than reasonable wages to be paid for the child's services, and terminable at not more than a week's notice, is not an agreement within the meaning of this definition ;

"child" means a person who is under the age of fifteen years; and

"guardian" includes any person having legal custody of or control over a child.

Agreements contrary to the Act to be void.

3. An agreement to pledge the labour of a child shall be void.

Penalty for parent or guardian making agreement to pledge the labour of a child.

4. Whoever, being the parent or guardian of a child, makes an agreement to pledge the labour of that child shall be punished with fine which may extend to fifty rupees.

Penalty for making with a parent or guardian an agreement to pledge the labour of a child.

5. Whoever makes with the parent or guardian of a child an agreement whereby such parent or guardian pledges the labour of the child shall be punished with fine which may extend to two hundred rupees.

Penalty for employing a child whose labour has been pledged.

6. Whoever, knowing or having reason to believe that an agreement has been made to pledge the labour of a child, in furtherance of such agreement employs such child, or permits such child to be employed in any premises or place under his control, shall be punished with fine which may extend to two hundred rupees.

COTTON TEXTILE INDUSTRY PROTECTION (AMENDMENT) ACT.

ACT NO. IV OF 1933.

[PASSED BY THE INDIAN LEGISLATURE.]

Received the assent of the Governor-General on the 28th March, 1933.)

An Act to amend the Cotton Textile Industry (Protection) Act, 1930.

WHEREAS it is expedient to continue for a further period the protection already given to the cotton textile industry

in British India, and for that purpose to extend the operation of the duties imposed by the Cotton Textile Industry (Protection) Act, 1930; It is hereby enacted as follows:— XVII of 1930.

1. This Act may be called the Cotton Textile Industry Protection (Amendment) Act, 1933.

Short title.

2. In sub-section (2) of section 2, and in sub-section (2) of section 3 of the Cotton Textile Industry (Protection) Act, 1930, for the word "March" the word "October" shall be substituted. XVII of 1930.

Amendment of sections 2 and 3, Act XVII of 1930.

WHEAT IMPORT DUTY (EXTENDING) ACT.

ACT NO. V OF 1933.

[PASSED BY THE INDIAN LEGISLATURE.]

(Received the assent of the Governor-General on the 28th March, 1933.)

An Act to extend the operation of the Wheat (Import Duty) Act, 1931.

WHEREAS it is expedient to extend the operation of the Wheat (Import Duty) Act, 1931; It is hereby enacted as follows:— XV of 1931.

1. This Act may be called the Wheat Import Duty (Extending) Act, 1933.

Short title.

2. In sub-section (3) of section 1 of the Wheat (Import Duty) Act, 1931, for the figures "1933" the figures "1934" shall be substituted. XV of 1931.

Amendment of section 1, Act XV of 1931.

SALT (ADDITIONAL IMPORT DUTY) ACT.

ACT NO. VI OF 1933.

[PASSED BY THE INDIAN LEGISLATURE.]

(Received the assent of the Governor-General on the 30th March, 1933.)

An Act further to extend the operation of the Salt (Additional Import Duty) Act, 1931.

WHEREAS it is expedient further to extend the operation of the Salt (Additional Import Duty) Act, 1931 (XIV of 1931); It is hereby enacted as follows :—

1. This Act may be called the Salt Additional Import Duty (Extending) Act, 1933.

Short title.

2. In sub-section (3) of section 1 of the Salt (Additional Import Duty) Act, 1931 (XIV of 1931) (hereinafter referred to as the said Act), for the figures "1933" the figures "1934" shall be substituted.

Amendment of section 1, Act XIV of 1931.

3. In sub-section (1) of section 3 of the said Act, for the word "four" the word "two" shall be substituted.

Amendment of section 3, Act XIV of 1931.

4. In sub-section (4) of section 5 of the said Act, for the words "sixty-three rupees eleven annas", in both places where the words occur, the words "fifty-four rupees twelve annas" shall be substituted.

Amendment of section 5, Act XIV of 1931.

INDIAN FINANCE ACT, 1933.

ACT NO. VII OF 1933.

[PASSED BY THE INDIAN LEGISLATURE.]

(Received the assent of the Governor-General on the 31st March, 1933.)

An Act to fix the duty on salt manufactured in, or imported by land into, certain parts of British India, to vary certain duties leviable under the Indian Tariff Act, 1894, to fix maximum rates of postage under the Indian Post Office Act, 1898, to fix rates of income-tax and super-tax, and further to amend the Indian Paper Currency Act, 1923.

WHEREAS it is expedient to fix the duty on salt manufactured in, or imported by land into, certain parts of British India, to vary certain duties leviable under the Indian Tariff Act, 1894, to fix maximum rates of postage under the Indian Post Office Act, 1898, to fix rates of income-tax and super-tax, and further to amend the Indian Paper Currency Act, 1923; It is hereby enacted as follows:— VIII of 1894. VI of 1898. X of 1923.

Short title and extent.

1. (1) This Act may be called the Indian Finance Act, 1933.

(2) It extends to the whole of British India, including British Baluchistan and the Sonthal Parganas.

Fixation of salt duty.

2. The provisions of section 7 of the Indian Salt Act, 1882, shall, in so far as they enable the Governor General in Council to impose by rule made under that section a duty on salt manufactured in or imported into, any part of British India other than Burma or Aden, be constructed as if, for the year beginning on the 1st day of April, XII of 1882.

1933, they imposed such duty at the rate of one rupee and four annas per maund of eighty-two and two-sevenths pounds avoirdupois of salt manufactured in, or imported by land into, any such part, and such duty shall, for all the purposes of the said Act, be deemed to have been imposed by rule made under that section.

VIII of 1894. Amendment of Schedule II to Act VIII of 1894.

*3. (1) In the Second Schedule to the Indian Tariff Act, 1894—

(*a*) after Item No. 41B the following item shall be inserted, namely :—

"41C	UPPERS for boots and shoes unless entirely made of leather.	*Ad valorem*	..	20 per cent. or two annas per pair, whichever is higher."

(*b*) After Item No. 44 the following item shall be inserted namely :—

"45	ARTIFICIAL SILK PIECE-GOODS other than fents of not more than nine yards in length.	*Ad valorem*	..	50 per cent. or our annas per square yard, whichever is higher."

(*c*) In Item No. 45-A—

(*i*) for the entries in the fourth column against sub-items (*a*) and (*b*), the following shall be substituted, namely :—

"35 per cent. or two annas and three pies per square yard, whichever is higher."

(*ii*) for the entry in the fourth column against sub-item (*c*), the following shall be substituted, namely :—

"35 per cent.", and

* This section came into effect on 1st March, 1933, by virtue of a declaration inserted in the Bill under the Provisional Collection of Taxes Act, 1931 (XVI of 1931.)

(*iii*) after sub-item (*c*) the following proviso shall be inserted in the second column, namely :—

"Provided that the duty on fents of not more than nine yards in length of fabrics specified in sub-items (*a*) and (*b*) shall be 35 per cent. *ad valorem*"; and

(*d*) for Item No. 133, the following item shall be substituted, namely :—

"133	MANUFACTURES of silk artifical silk not otherwise specified."	

(2) Notwithstanding anything contained in section 4 of the Indian Finance Act, 1931, or in section 4 of the Indian Finance (Supplementary and Extending) Act, 1931, the additional duties imposed by those sections shall not be levied on any articles chargeable with duty under Item No. 45 or No. 45A of the Second Schedule to the Indian Tariff Act, 1894, as amended by this section. VIII of 1894.

Inland postage rates.

4. For the year beginning on the 1st day of April, 1933, the Schedule contained in the First Schedule to this Act shall be inserted in the Indian Post Office Act, 1898, as the First Schedule to that Act. VI of 1898.

Income-tax and super-tax.

5. (1) Income-tax for the year beginning on the 1st day of April, 1933, shall be charged at the rates specified in Part I of the Second Schedule, increased in each case, except in the case of total incomes of less than two thousand rupees, by one-fourth of the amount of the rate.

(2) The rates of super-tax for the year beginning on the 1st day of April, 1933, shall, for the purposes of section 55 of the Indian Income-tax Act, 1922, be those specified in Part II of the Second Schedule, increased in each case by one-fourth of the amount of the rate. XI of 1922.

(3) For the purposes of the Second Schedule "total income" means total income as determined for the purposes of income-tax or super-tax, as the case may be, in accordance with the provisions of the Indian Income-tax Act, 1922.

XI of 1922.

(4) For the purpose of assessing and collecting income-tax on total incomes of less than two thousand rupees the Indian Income-tax Act, 1922, shall be deemed to be subject to the adaptations set out in Part III of the Second Schedule.

XI of 1922.

Amendment of section 19, Act X of 1923.

6. In sub-section (7) of section 19 of the Indian Paper Currency Act, 1923, for the figures "1933" the figures "1934" shall be substituted.

X of 1923.

SCHEDULE I.

Schedule to be inserted in the Indian Post Office Act, 1898.

[*See section* 4.]

"THE FIRST SCHEDULE."

INLAND POSTAGE RATES.

[*See section* 7.]

Letters.

For a weight not exceeding two and a half tolas.	One anna and three pies.
For every two and a half tolas, or fraction thereof, exceeding two and a half tolas.	One anna and three pies.

Postcards.

Single	Nine pies.
Reply	One and a half annas.

Books,

Book, Pattern and Sample Packets.

For every five tolas or fraction thereof.	Half an anna.

Registered Newspapers.

For a weight not exceeding eight tolas.	Quarter of an anna.
For a weight exceeding eight tolas and not exceeding twenty tolas.	Half an anna.
For every twenty tolas, or fraction thereof, exceeding twenty tolas.	Half an anna.

Parcels.	
For a weight not exceeding twenty tolas.	Two annas.
For a weight exceeding twenty tolas and not exceeding forty tolas.	Four annas.
For every forty tolas, or fraction thereof, exceeding forty tolas.	Four annas."

SCHEDULE II.

[*See section* 5.]

PART I.

Rates of Income-tax.

	Rate.
A. In the case of every individual, Hindu undivided family, unregistered firm and other association of individuals not being a registered firm or a company—	
(1) When the total income is Rs. 1,000 or upwards, but is less than Rs. 1,500.	Two pies in the rupee: (Provided that for the purpose of any assessment to be made for the year ending 31st March 1934, the rate of income-tax applicable to such part of the total income of an assessee as is derived from salaries or from interest on securities paid in the financial year 1932-33 shall be four pies in the rupee, and for the purposes of refunds under sub-section (1) or sub-section (3) of section 48 in respect of dividends declared in the year ending 31st March 1933, or of payments made in the said year of interest on securities or salaries, the rate applicable to the total income of the person claiming refund shall be at the rate of four pies.)

	Rate.
(2) When the total income is Rs. 1,500 or upwards, but is less than Rs. 2,000.	Four pies in the rupee.
(3) When the total income is Rs. 2,000 or upwards, but is less than Rs. 5,000.	Six pies in the rupee.
(4) When the total income is Rs. 5,000 or upwards, but is less than Rs. 10,000.	Nine pies in the rupee.
(5) When the total income is Rs. 10,000 or upwards, but is less than Rs. 15,000.	One anna in the rupee.
(6) When the total income is Rs. 15,000 or upwards, but is less than Rs. 20,000.	One anna and four pies in the rupee.
(7) When the total income is Rs. 20,000 or upwards, but is less than Rs. 30,000.	One anna and seven pies in the rupee.
(8) When the total income is Rs. 30,000 or upwards, but is less than Rs. 40,000.	One anna and eleven pies in the rupee.
(9) When the total income is Rs. 40,000 or upwards, but is less than Rs. 1,00,000.	Two annas and one pie in the rupee.
(10) When the total income is Rs. 1,00,000 or upwards.	Two annas and two pies in the rupee.
B. In the case of every company and registered firm, whatever its total income.	Two annas and two pies in the rupee.

PART II.

Rates of Super-tax.

	Rate.
In respect of the excess over thirty thousand rupees of total income—	
in the case of every company—	
(*a*) in respect of the first twenty thousand rupees of such excess.	*Nil.*

	Rate.
(*b*) for every rupee of the remainder of such excess.	One anna in the rupee.
(2) (*a*) in the case of every Hindu undivided family—	
(*i*) in respect of the first forty-five thousand rupees of such excess.	*Nil.*
(*ii*) for every rupee of the next twenty-five thousand rupees of such excess.	One anna and there pies in the rupee.
(*b*) in the case of every individual, unregistered firm and other association of individuals not being a registered firm or a company—	
(*i*) for every rupee of the first twenty thousand rupees of such excess.	Nine pies in the rupee.
(*ii*) for every rupee of the next fifty thousand rupees of such excess.	One anna and three pies in the rupee.
(*c*) in the case of every individual, Hindu undivided family, unregistered firm and other association of individuals not being a registered firm or a company—	
(*i*) for every rupee of the next fifty thousand rupees of such excess.	One anna and nine pies in the rupee.
(*ii*) for every rupee of the next fifty thousand rupees of such excess.	Two annas and three pies in the rupee.
(*iii*) for every rupee of the next fifty thousand rupees of such excess.	Two annas and nine pies in the rupee

(*iv*) for every rupee of the next fifty thousand rupees of such excess.	Three annas and three pies in the rupee.
(*v*) for every rupee of the next fifty thousand rupees of such excess.	Three annas and nine pies in the rupee.
(*vi*) for every rupee of the next fifty thousand rupees of such excess.	Four annas and three pies in the rupee.
(*vii*) for every rupee of the next fifty thousand rupees of such excess.	Four annas and nine pies in the rupee.
(*viii*) for every rupee of the next fifty thousand rupees of such excess.	Five annas and three pies in the rupee.
(*ix*) for every rupee of the next fifty thousand rupees of such excess.	Five annas and nine pies in the rupee.
(*x*) for every rupee of the remainder of such excess.	Six annas and three pies in the rupee.

PART II.

Adaptions of the Indian Income-tax Act, 1922, *to provide for the summary assessments of income tax on total incomes of less than Rs.* 2,000.

1. The Income-tax Officer may, save where he has served a notice under sub-section (*2*) of section (22) of the Indian Income-tax Act, 1922, make a summary assessment of the income of an assessee to the best of his judgment, and shall serve on the assessee a notice of demand in a form to be prescribed by the Central Board of Revenue ; and such notice shall be deemed to be a notice of demand under section 29 of that Act.

2. Any assessee in respect of whom such summary assessment has been made may, within thirty days of receipt of the

notice of demand, make an application to the Income-tax Officer for the cancellation or revision of the assessment, and the Income-tax Officer shall, after examining any accounts and documents and hearing any evidence which the assessee may produce, and such other evidence as the Income-tax Officer may require, determine, by order in writing, the amount of the tax, if any, payable by the assessee, and such determination shall be final:

Provided that, if any assessee making such application files therewith a return of his income under sub-section (2) of section 22 of the Indian Income-tax, Act, 1922, the application shall be deemed to be a return under that sub-section and shall be dealt with accordingly.

3. A copy of an order under paragraph 2 shall be served on the assessee to whom it relates and shall be deemed to be a notice of demand under section 29 of the Indian Income-tax Act, 1922.

4. The above procedure shall apply also to the assessment and collection during the financial year 1933-34 of incomes of Rs. 1,000 and upward and less than Rs. 2,000 which have escaped assessment in the financial year 1932-33.

INDIAN TARIFF (OTTAWA TRADE AGREEMENT) AMENDMENT ACT.

ACT No. VIII OF 1933.

[PASSED BY THE INDIAN LEGISLATURE.]

(Received the assent of the Governor General on the 8th April, 1933.)

An Act to supplement the Indian Tariff (Ottawa Trade Agreement) Amendment Act, 1932.

WHEREAS it is expedient to amend the Indian Tariff Act, 1894, in order to supplement the Indian Tariff (Ottawa VIII of 1894.

XXV of 1932. Trade Agreement) Amendment Act, 1932; It is hereby enacted as follows :—

Short title. 1. This Act may be called the Indian Tariff (Ottawa Trade Agreement) Supplementary Amendment Act, 1933.

VIII of 1894. Amendment of the Second Schedule to Act VIII of 1894. 2. In the Second Schedule to the Indian Tariff Act, 1894, there shall be made the amendments specified in the Schedule to this Act.

THE SCHEDULE.

(*See section* 2).

Amendments to the Second Schedule to the Indian Tariff Act, 1894.

1. In Item No. 50, after the word "green" the words and brackets "(ferrous sulphate)" shall be added.

2. In Item No. 88, for the words "ferrous sulphate," the words and brackets "alum (namely, potash alum, soda alum and ammonia alum)," shall be substituted.

3. In Item No. 93, after the words "white lead," the words "moist white lead," shall be inserted.

4. In Item No. 98, the words "copper braziers" shall be omitted.

5. After Item No. 98, the following heading and item shall be inserted, namely :—

"PAPER, PASTEBOARD AND STATIONERY.

99 PRINTING PAPERS, all sorts not otherwise specified which contain mechanical wood pulp amounting to not less than 70 per cent. of the fibre content; and STRAW BOARD, all sorts."

6. Item No. 117 shall be omitted.

7. After Item No. 118, the following item shall be inserted, namely :—

"119 TEA CHESTS and parts and fittings thereof."

8. In Item No. 185, after the word "specified," the words "including incandescent mantles but" shall be inserted.

9. In Item No. 197, for the word "AND," where it first occurs, the words "including chrome, marble, flint, poster and stereo printing paper," shall be substituted.

10. In Item No. 222, for the entry in the second column the following entry shall be substituted, namely :—

"LUBRICATING OIL, that is, oil such as is not ordinarily used for any other purpose than lubrication, excluding any mineral oil which has its flashing point below two hundred degrees of the Fahrenheit thermometer by Abel's close test."

11. In Item No. 228, the figures and words "15 per cent." in the sixth column shall be omitted.

12. In Item No. 229, for the figures "231" the figures "230" shall be substituted.

13. After Item No. 232 the following shall be inserted, namely :—

"232A	Gold or Goldplated PEN NIB.	*Ad valorem*	50 per cent.	40 per cent.	.."

14. After Item No. 240, the following item shall be inserted, namely :—

"240A	The following Glass-making Materials, namely, liquid gold and covered crucibles for glass-making.	*Ad valorem*	25 per cent.	15 per cent.	.."

ACT No. X OF 1933.

[PASSED BY THE INDIAN LEGISLATURE.]

(*Received the assent of the Governor General on the 13th April, 1933.*)

An Act further to amend the Auxiliary Force Act, 1920, for certain purposes.

XLIX of 1920.

WHEREAS it is expedient further to amend the Auxiliary Force Act, 1920, for the purposes hereinafter appearing; It is hereby enacted as follows :—

Short title.

1. This Act may be called the Auxiliary Force (Amendment) Act, 1933.

XLIX of 1920.

Amendment of section 2, Act XLIX of 1920.

2. In section 2 of the Auxiliary Force Act, 1920 (hereinafter referred to as the said Act), for the definition of "competent military authority" the following definition shall be substituted, namely :—

"'competent military authority' means the authority prescribed as competent to perform or exercise all or any of the duties imposed or powers conferred on the competent military authority by this Act.

Amendment of section 5, Act XLIX of 1920.

3. In sub-section (2) of section 5 of the said Act, before the words "An applicant for enrolment" the words "Subject to the prescribed conditions," shall be inserted and the words "local in the prescribed military area within which he for the time being resides" shall be omitted.

Amendment of section 9, Act XLIX of 1920.

4. In section 9 of said Act,—

(*a*) for the words "has not attained the age of thirty-one years" the words "is included in the Active Class" shall be substituted;

(*b*) for the words "the preliminary training specified in Schedule I" the words "preliminary training of such amount as may be ordered by the competent military authority subject to the limits specified in Schedule I" shall be substituted;

(*c*) in the first proviso, for the words "competent military authority" the words "Officer Commanding the corps or unit to which such enrolled person belongs" shall be substituted; and

(*d*) for the second proviso the following proviso shall be substituted, namely:—

"Provided further that any person may be exempted either wholly or in part by the Officer Commanding his corps or unit from the necessity of undergoing preliminary training required by this section, and shall, on the publication in the orders of the corps or unit of such exemption, be deemed to the extent of such exemption to have completed such preliminary training."

Repeal of section 10, Act XLIX of 1920.

5. Section 10 of the said Act shall be omitted.

Amendment of section 11, Act XLIX of 1920.

6. In section 11 of the said Act,—

(*a*) the words and brackets "(other than a person to whom the provisions of section 10 apply)" shall be omitted, and for the words "as hereinafter provided" the words

" by the Officer Commanding the corps or unit to which he is appointed " shall be substituted ;

(*b*) after clause (*a*) the word " or " shall be inserted, and for clauses (*b*) and (*c*) the following shall be substituted, namely :—

" (*b*) the Reserve Class ; "

and

(*c*) for the words " the periodical training specified in Schedule I " the words " periodical training of such amount as may be ordered by the competent military authority subject to the limits specified in Schedule I " shall be substituted.

Amendment of section 12, Act XLIX of 1920.

7. In section 12 of the said Act,—

(*a*) in sub-section (2),—

(*i*) the words " or entitled to rank as officers of His Majesty's Forces " shall be omitted ;

(*ii*) in clause (*a*), for the words " and " the words " or who being so required " shall be substituted, and for the words " until the end of the training year in which he attains the age of thirty-one years " the words " until he is transferred to the Reserve Class by order of the Officer Commanding the corps or unit" shall be substituted ; and

(*iii*) for clauses (*b*) and (*c*) the following clause shall be substituted, namely—

" (*b*) every such person who is transferred from the Active Class under the provisions of clause (*a*) or who on enrolment is assigned to the Reserve Class by order of the Officer Commanding the corps or unit shall be included in the Reserve Class ; "

(*b*) in sub-section (3), the words "to be entitled to rank as an officer of His Majesty's Forces or," the words "section 10 or" and the words "as the case may be" shall be omitted;

(*c*) in sub-section (4),—

(*i*) for the words "either Class of the Reserve" the words "the Reserve Class" shall be substituted;

(*ii*) for the words "for any training year in any other Class for which more periodical training is specified in Schedule I" the words "in the Active Class" shall be substituted; and

(*iii*) after the words "shall" the words "if the competent military authority grants the application," shall be inserted; and

(*d*) sub-section (5) shall be omitted.

Amendment of section 13, Act XLIX of 1920.

8. In section 13 of the said Act,—

(*a*) for clause (*a*) of sub-section (1) the following clause shall be substituted, namely;

"(*a*) on the recommendation of the Advisory Committee, direct that any enrolled person included in the Active Class shall, for the purposes of periodical training, be included for any stated period in the Reserve Class, or";

and

(*b*) in sub-section (2), for the words "to each person" the words "in respect of each individual or unit or part thereof" shall be substituted.

Amendment of section 14, Act XLIX of 1920.

9. In section 14 of the said Act, for the words "competent military authority," where they first occur, the words "Officer Commanding the corps or unit to which he belongs" shall be substituted.

10. In sub-section (2) of section 15 of the said Act, for the words "specified in Schedule I for" the words "to which he is liable in" shall be substituted.

Amendment of section 15, Act XLIX of 1920.

11. In sub-section (1) of section 28 of the said Act, the words "or a military officer appointed by him in this behalf" shall be omitted.

Amendment of section 28, Act XLIX of 1920.

Amendment of section 30, Act XLIX of 1920.

12. In sub-section (2) of section 30 of the said Act,—

(*a*) after clause (*a*) the following clause shall be inserted, namely :—

"(*aa*) prescribe the authority which shall be the competent military authority for any purpose under this Act ;"

(*b*) to clause (*c*) the following words shall be added, namely :—

"and the conditions governing applications to be enrolled in a particular branch, corps or unit" ;

and

(*c*) in clause (*f*), before the word "rates" the words "conditions governing the grant of, and the" shall be inserted.

Amendment of Schedule I, Act XLIX of 1920.

13. In Schedule I to the said Act, in item No. 2,—

(*a*) sub-item (2) shall be omitted ; and

(*b*) sub-item (3) shall be re-numbered as sub-item (2), and in that sub-item, as so re-numbered, in the first column, for the words "Second (B) Class Reserve" the words "Reserve Class" shall be substituted, and in the second column, the words "for this Class" shall be omitted.

INDIAN MERCHANT SHIPPING (AMENDMENT) ACT.

ACT No. XI OF 1933.

[PASSED BY THE INDIAN LEGISLATURE.]

(*Received the assent of the Governor General on the 16th April, 1933.*)

An Act further to amend the Indian Merchant Shipping Act, 1923, for certain purposes.

WHEREAS it is expedient further to amend the Indian Merchant Shipping Act, 1923, for the purposes hereinafter appearing; It is hereby enacted as follows :— XXI of 1923.

Short title and commencement.

1. (1) This Act may be called the Indian Merchant Shipping (Amendment) Act, 1933.

(2) It shall come into force on such date as the Governor General in Council may, by notification in the *Gazette of India*, appoint.

Amendment of section 155, Act XXI of 1923.

2. In section 155 of the Indian Merchant Shipping Act, 1923 (hereinafter referred to as the said Act), — XXI of 1922.

(*a*) clause (*c*) shall be omitted;

(*b*) clause (*d*), (*e*) and (*f*) shall be re-lettered as clauses (*c*), (*d*) and (*e*), respectively;

(*c*) after clause (*e*), as so re-lettered, the following clause shall be inserted, namely;

"(*f*) in the case of a native passenger ship, that food, fuel and pure water over and above what is necessary for the crew, and the other things (if any) prescribed for native passenger ships, have been placed on board, of the quality prescribed, properly packed, and sufficient to supply

the native passengers on board during the voyage which the ship is to make (including such detention in quarantine as may be probable) according to the prescribed scale ;

Provided that, if the officer appointed in this behalf by the Governor-General in Council is satisfied that a native passenger has brought on board for his own use food of the quality and in the quantity prescribed, such native passenger shall not be included among the number of native passengers for the purpose of the supply of food under this clause ; "

(*d*) after clause (*h*) the following clause shall be inserted, namely :—

" (*i*) in the case of a pilgrim ship, that food and pure water over and above what is necessary for the crew, and the other things (if any) prescribed for pilgrim ships, have been placed on board, of the quality prescribed, properly packed and sufficient to supply the pilgrims on board during the voyage which the ship is to make (including such detention in quarantine as may be probable) according to the prescribed scale ; "

and

(*e*) clause (*i*) shall be re-lettered as clause (*j*).

Omission of section 156, Act XXI of 1923.

3. Section 156 of the said Act shall be omitted.

Amendment of section 166, Act XXI of 1923.

4. In section 166 of the said Act,—

(*a*) the words " or pilgrim," where they first occur, shall be omitted ;

(*b*) for the words " any passenger or pilgrim " the words " any native passenger " shall be substituted; and

(*c*) after the words " fuel and water," the words " or, if the master of a pilgrim ship, without reasonable excuse,

the burden of proving which shall lie upon him, omits to supply to any pilgrim the prescribed allowances of cooked and uncooked food and of water," shall be inserted.

Amendment of section 167, Act XXI of 1923.

5. In sub-section (1) of section 167 of the said Act, for the word "twenty" the word "fifty" shall be substituted.

Amendment of section 193, Act XXI of 1923.

6. In sub-section (1) of section 193 of the said Act, for the words "the space for the time being required for passengers under this Act," the words "sixteen and ninety-six, respectively", shall be substituted.

Amendment of section 201, Act XXI of 1923.

7. In section 201 of the said Act,—

(*a*) in sub-section (1), after the words "as may be prescribed," the following words shall be inserted, namely :—

"and such medical officers and attendants shall give their services free to all sick pilgrims on board";

(*b*) in sub-section (2),—

"(*i*) for the words "If this section is not complied with," the words "If medical officers and attendants are not carried on a pilgrim ship in accordance with the provisions of sub-section (1)" shall be substituted; and

(*ii*) for the words "five hundred" the words "three thousand" shall be substituted; and

(*c*) after sub-section (2), the following sub-section shall be inserted, namely :—

"(3) Any medical Officer or attendant on a pilgrim ship who charges any pilgrim on such ship for his services shall be liable to a fine which may extend to two hundred rupees."

Substitution of new section for section 205, Act XXI of 1923.

8. For section 205 of the said Act, the following section shall be substituted, namely :—

"205. (1) Port-clearance shall not be granted from any port in British India to any pilgrim ship unless the master, owner or agent and two sureties resident in British India have executed, in favour of the Secretary of State for India in Council, a joint and several bond for the sum of ten thousand rupees covering all voyages which may be made by the ship in the current pilgrim season, conditioned that—

Bond where pilgrim ship proceeds on outward voyage.

(*a*) where any voyage does not begin at Aden, the ship shall, if so required by an order under section 203, touch at Aden on the outward voyage and there obtain the certificate required under that section,

(*b*) the master and medical officer or officers, if any, shall comply with the provisions of this Part and the rules made thereunder, and

(*c*) the master, owner or agent (as the case may be) shall pay any sum claimed by the Governor-General in Council under section 209A.

(2) A bond may be given under this section covering any or all of the pilgrim ships owned by one owner, and in such cases the amount of the bond shall be ten thousand rupees for each ship covered."

Amendment of section 206, Act XXI of 1923.

9. In section 206 of the said Act, after sub-section (1), the following sub-section shall be inserted, namely :—

"(1A) No pilgrim shall be received on board any pilgrim ship unless he produces medical certificates signed by

persons who, in the opinion of the officer making an inspection under this section are duly qualified to grant such certificates showing that such pilgrim—

(*a*) has been inoculated against cholera within six months before the inspection, and

(*b*) has been vaccinated against small-pox within five years before the inspection :

Provided that the officer making the inspection may dispense with the certificate of vaccination, if in his opinion the pilgrim has marks showing that he has had small-pox."

Substitution of new proviso to section 208A, Act XXI of 1923.

10. For the proviso to section 208A of the said Act, the following proviso shall be substituted, namely :—

" Provided that the prescribed person may exempt any pilgrim from any or all of the above requirements, if he is satisfied that it is inexpedient, in the special circumstances of the case, to enforce them."

Substitution of new sections for section 209, Act XXI of 1923.

11. For section 209 of the said Act the following sections shall be substituted, namely :—

" 208B. (1) Every pilgrim travelling on a pilgrim ship shall be entitled, on payment of his passage-money and fulfilment of other prescribed conditions, if any, to receive a ticket in the prescribed form, and shall be bound to produce it to such officers and on such occasions as may be prescribed and otherwise to deal with it in the prescribed manner :

Issue or production of tickets.

Provided that no pilgrim, who has not been exempted under the proviso to section 208A, shall be given a ticket other than a return ticket unless he has made the deposit required by that section.

(2) Any ticket issued to a pilgrim for a voyage on a pilgrim ship shall entitle him to receive food and water, on the scale and of the quality prescribed, free of further charge, throughout the voyage.

Refund of deposits and passage-money.

208C. (1) Every pilgrim prevented from embarking under section 206, or removed from the ship under section 207, or otherwise prevented from proceeding shall be entitled to the refund of any passage-money which he may have paid, and of any deposit which he may have made under section 208A.

(2) Any pilgrim who, within eighteen months of his sailing from British India, satisfies His Majesty's Representative at Jeddah that he intends to remain in the Hedjaz or to return to India by a route other than the route by which he came from India, shall be entitled to a refund of any deposit made by him under section 208A, or, if he is in possession of a return ticket, to a refund of half the passage-money paid by him.

(3) Where any pilgrim dies in the Hedjaz or on the voyage thereto, any person nominated by him in this behalf in writing in the prescribed manner, or, if no person has been so nominated, his legal representative, shall be entitled to a refund of any deposit made by such pilgrim under section 208A, or, if such pilgrim was in possession of a return ticket, to a refund of half the passage-money paid by such pilgrim.

(4) Where any pilgrim fails to return to British India from the Hedjaz within eighteen months of his sailing from India, or returns to India by a route other than the route by which he came from India, he or any person nominated by him in this behalf in writing in the prescribed manner shall be entitled to a refund of any deposit made by such pilgrim

under section 208A, or, if such pilgrim was in possession of a return ticket, to refund of half the passage-money paid by such pilgrim, except where such deposit or passage-money has already been refunded under this section.

(5) Refunds under sub-sections (1), (2), (3) and (4) of deposits shall be subject to such conditions and of passage-money to such deductions and conditions as may be prescribed.

Unclaimed deposits and passage-money to lapse to Government.

209. (1) All deposits made under section 208A which have been unclaimed for the prescribed period shall become the property of Government.

(2) If any pilgrim entitled to a refund of passage-money under sub-section (1) of section 208C does not claim such refund within the prescribed period, or if any pilgrim who has purchased a return ticket does not on the basis of such ticket obtain a return passage from the Hedjaz within the prescribed period and the value of the return half of such ticket has not been refunded under sub-section (2) or sub-section (3) or sub-section (4) of section 208C, such passage-money or value shall, subject to the exercise of the rights conferred by sub-section (4) of section 208C, become the property of Government and shall be paid to Government by the master, owner or agent to whom it was paid."

Amendment of section 209A, Act XXI of 1923.

12. In section 209A of the said Act,—

(*a*) in sub-section (1),—

(*i*) for the words "Port-clearance shall not be granted from any port in British India to any pilgrim ship unless or until the master, owner or agent and two sureties resident in British India have executed in favour of the

Secretary of State for India in Council a joint and several bond for the sum of ten thousand rupees, conditioned, that if any pilgrim who has been carried to the Hedjaz by that ship" the words "Where any pilgrim who has been carried to the Hedjaz by a pilgrim ship" shall be substituted.

(*ii*) for the words "British Consul," the words "His Majesty's Representative" shall be substituted,

(*iii*) for the words "master, owner or agent aforesaid" the words "master, owner or agent of the ship in which such pilgrim was carried to the Hedjaz" shall be substituted, and

(*iv*) after the proviso the following further proviso shall be inserted, namely :—

"Provided further that in the case of any pilgrim whose ticket has been deposited with His Majesty's Representative at Jeddah the said period of twenty-five days shall, during the period of six weeks following the Haj day, be reduced to fifteen days beginning on the day on which such pilgrim notifies to His Majesty's Representative at Jeddah his desire to embark for the return passage;"

and

(*b*) in sub-section (2), for the words "British Consul" the words "His Majesty's Representative" shall be substituted.

Amendment of section 209B, Act XXI of 1923.

13. In sub-section (3) of section 209B of the said Act, for the words "Within such time," the words "Before such reasonable and sufficient interval" shall be substituted.

Amendment of section 209C, Act XXI of 1923.

14. To section 209C of the said Act, the following sub-section shall be added, namely :—

"(6) Nothing in this section or in section 209B shall apply to any advertisement made before the interval prescribed under sub-section (3) of section 209B, and intended to give the public information of the approximate date of the sailing of a pilgrim ship, provided that such advertisement clearly states that the date so advertised is approximate only and that the correct proposed date will be advertised later."

Amendment of section 213, Act XXI of 1923.

15. (1) In sub-section (1) of section 213 of the said Act,—

(*a*) in clause (*f*)—

(*i*) for the words "food, fuel and water," in the first place where they occur, the words "cooked and uncooked food and water" shall be substituted;

and

(*ii*) for the words "food, fuel and water," where they occur in the second place, the words "food and water" shall be substituted;

(*b*) after clause (*f*), as so amended, the following clause shall be inserted, namely :—

"(*ff*) the kinds of food to be provided for pilgrims on payment, in addition to the food to be supplied in accordance with the rules made under clause (*f*), and the charges which may be made for the same;"

(*c*) in clause (*j*), after the words "on board" the words "free of charge to pilgrims' shall be inserted;

(*d*) after clause (*m*) the following clause shall be inserted, namely :—

"(*mm*) the period referred to in clause (*a*) of sub-section (1A) of section 206;"

(*e*) for clause (*r*) the following clause shall be substituted, namely :—

"(*r*) the refund of deposits and passage-money under section 208C, and the manner in which persons shall be nominated under that section for the purpose of entitling them to a refund ;" ;

and

(*f*) after clause (*w*) the following clause shall be inserted, namely :—

"(*ww*) providing that a pilgrim shall not be received on board any pilgrim ship, unless he is in possession of a passport or a pilgrim's pass, regulating the issue of pilgrims' passes, and prescribing the form of and fees which may be charged for such passes ;" and

(2) In sub-section (2) of the said section, for the words "two hundred" the words "three hundred" shall be substituted.

INDIAN INCOME-TAX (AMENDMENT) ACT.

ACT No. XII OF 1933.

[PASSED BY THE INDIAN LEGISLATURE.]

(*Received the assent of the Governor-General on the 16th April*, 1933.)

An Act further to amend the Indian Income-tax Act, 1922, for a certain purpose.

WHEREAS it is expedient further to amend the Indian Income-tax Act, 1922, for the purpose hereinafter appearing ; It is hereby enacted as follows :—

1 of 1922.

Short title and commencement.

1. (1) This Act may be called the Indian Income-tax (Amendment) Act, 1933.

(2) It shall come into force on the 1st day of April, 1933.

Amendment of section 4, Act XI of 1922.

2. In sub-section (2) of section 4 of the Indian Income-tax Act, 1922,— XI of 1922.

(*a*) for the words "Profits and gains of a business" the words "Income, profits and gains" shall be substituted, and before the word "profits," where it occurs for the second time, the word "income," shall be inserted;

(*b*) the words "provided that they are so received or brought in within three years of the end of the year in which they accrued or arose" shall be omitted;

(*c*) the following provisos shall be added, namely:—

"Provided that nothing contained in this sub-section shall apply to any income, profits or gains so accruing or arising prior to the 1st day of April, 1933, unless they are income, profits or gains of a business and are received in or brought into British India within three years of the end of the year in which they accrued or arose:

Provided further that nothing in this sub-section shall apply to income from agriculture arising or accruing in a State in India from land for which any annual payment in money or in kind is made to the State;" and

(*d*) in the Explanation, before the word "profits" the word "income," shall be inserted.

SAFEGUARDING OF INDUSTRIES ACT.

ACT No. XIII OF 1933.

[PASSED BY THE INDIAN LEGISLATURE.]

(*Received the assent of the Governor-General on the 16th April*, 1933.)

An Act to provide for the imposition of additional duties of customs on imported goods for the purpose of safeguarding industries in British India.

WHEREAS it is expedient to provide for the imposition of additional duties of customs on imported goods for the

purpose of safeguarding industries in British India; It is hereby enacted as follows :—

Short title, extent and duration.

1. (1) This Act may be called the Safeguarding of Industries Act, 1933.

(2) It extends to the whole of British India except Aden and Perim.

(3) It shall remain in force until the 31st day of March, 1935.

Power of Governor General in Council to impose duties of customs.

2. (1) If the Governor General in Council is satisfied, after such inquiry as he thinks necessary, that goods, the produce or manufacture of any country outside India, are being sold in or imported into British India, at such abnormally low prices that the existence of an industry established in British India is thereby endangered, he may, by notification in the Gazette of India, impose on any such goods a duty of customs of such amount as he considers necessary to safeguard the interests of the industry affected.

(2) The duties imposed under sub-section (1) shall be deemed to be duties leviable under the Indian Tariff Act, 1894, and shall be in addition to any duties imposed under that Act or any other law for the time being in force, but shall not be included in the total duty upon which any additional duty imposed by section 4 of the Indian Finance Act, 1931, or section 4 of the Indian Finance (Supplementary and Extending) Act, 1931, is calculated, or operate so as in any way to affect the amount of any additional duty so imposed.

VIII of 1894.

Notification imposing duty of customs to be approved by Indian Legislature.

3. (1) Every notification issued under sub-section (1) of section 2 shall be laid before both Chambers of the Indian Legislature as soon as may be after it is made, and shall cease to have effect on the expiry of two

months from the last date on which it has been so laid before either Chamber unless in the meantime it has been approved by a resolution of each Chamber.

(2) Notwithstanding anything contained in section 21 of the General Clauses Act, 1897, the provisions of sub-section (1) shall not apply to the exercise by the Governor General in Council of his powers under the said section of the said Act to add to, amend, vary or rescind any notification issued under sub-section (1) of section 2 of this Act unless such exercise has the effect of imposing a duty of customs not already imposed or of increasing a duty of customs already imposed by the original notification.

Power of Governor General in Council to make rules.

4. (1) The Governor General in Council may, by notification in the Gazette of India make rules for the purpose of carrying into effect the provisions of this Act.

(2) In particular and without prejudice to the generality of the foregoing power such rules may prescribe the conditions subject to which any goods shall be deemed to be the produce or manufacture of a particular country for the purposes of this Act.

INDIAN TARIFF (AMENDMENT) ACT.

ACT No. XIV OF 1933.

[PASSED BY THE INDIAN LEGISLATURE.]

(*Received the assent of the Governor-General on the 16th April*, 1933.)

An Act further to amend the Indian Tariff Act, 1894, for a certain purpose.

WHEREAS it is expedient further to amend the Indian Tariff Act, 1894, for the purpose hereinafter appearing; It is hereby enacted as follows:—

Short title.

1. This Act may be called the Indian Tariff (Amendment) Act, 1933.

2. In Item No. 148A of the Second Schedule to the Indian Tariff Act, 1894, after the words "Indian sheet bar" in sub-item (*i*) and sub-item (*ii*) the words and figures "imported into the United Kingdom after the 23rd day of December, 1932" shall be added.

VIII of 1894.

Amendment of Schedule II, Act VIII of 1894.

WORKMEN'S COMPENSATION (AMENDMENT) ACT.

ACT No. XV OF 1933.

[PASSED BY THE INDIAN LEGISLATURE.]

(*Received the assent of the Governor-General on the 9th September*, 1933.)

An Act further to amend the Workmen's Compensation Act, 1923.

WHEREAS it is expedient further to amend the Workmen's Compensation Act, 1923; It is hereby enacted as follows:—

VIII of 1923.

1. (1) This Act may be called the Workmen's Compensation (Amendment) Act, 1933.

Short title and commencement.

(2) It shall come into force on the 1st day of January, 1934; but sections 2, 3, 4, 5, 21, 22 and 23 shall not have effect until the 1st day of July, 1934, and shall have effect thereafter only in respect of compensation payable on account of an injury caused to a workman by an accident occurring on or after the 1st day of July, 1934.

2. In section 2 of the Workmen's Compensation Act, 1923 (hereinafter referred to as the said Act),—

VIII of 1923.

Amendment of section 2, Act VIII of 1923.

(*a*) in sub-section (1),—

(*i*) for clause (*d*) the following shall be substituted, namely:—

"(*d*) 'dependant' means any of the following relatives of a deceased workman, namely:—

(*i*) a wife, a minor legitimate son, and unmarried legitimate daughter, or a widowed mother; and

(*ii*) if wholly or in part dependent on the earnings of the workman at the time of his death, a husband, a parent other than a widowed mother, a minor illegitimate son, an unmarried illegitimate daughter, a daughter legitimate or illegitimate if married and a minor or if widowed, a minor brother, an unmarried or widowed sister, a widowed daughter-in-law, a minor child of a deceased son, or, where no parent of the workman is alive, a paternal grandparent,"

(*ii*) clause (*j*) shall be omitted,

(*iii*) in clause (*k*), the word "registered" shall be omitted, and for the words "any such" the word "the" shall be substituted, and

(*iv*) in sub-clause (ii) of clause (*n*), the words ", either by way of manual labour or" shall be omitted;

(*b*) for sub-section (3), the following sub-section shall be substituted, namely :—

"(3) The Governor General in Council, after giving, by notification in the Gazette of India, not less than three months' notice of his intention so to do, may, by a like notification, add to Schedule II any class of persons employed in any occupation which he is satisfied is a hazardous occupation, and the provisions of this Act shall thereupon apply to such classes of persons :

Provided that in making such addition the Governor General in Council may direct that the provisions of this Act shall apply to such classes of persons in respect of specified injuries only."

Amendment of section 3, Act VIII of 1923.

3. In section 3 of the said Act,—

(*a*) in sub-section (1),—

(*i*) in proviso (*a*), for the word "ten" the word "seven" shall be substituted, and

(*ii*) in proviso (*b*), for the words "injury to a workman resulting from" the words "injury, not resulting in death, caused by" shall be substituted; and

(*b*) in sub-section (4), the words "solely and" shall be omitted.

Amendment of section 4, Act VIII of 1923.

4. For sub-section (1) of section 4 of the said Act, the following sub-section shall be substituted, namely :—

"(1) Subject to the provisions of this Act, the amount of compensation shall be as follows, namely :—

Amount of compensation.

A. Where death results from the injury—

(*i*) in the case of an adult in receipt of monthly wages falling within limits shown in the first column of Schedule IV—the amount shown against such limits in the second column thereof, and

(*ii*) in the case of a minor—two hundred rupees;

B. Where permanent total disablement results from the injury—

(*i*) in the case of an adult in receipt of monthly wages falling within limits shown in the first column of Schedule IV—the amount shown against such limits in the third column thereof, and

(*ii*) in the case of a minor—twelve hundred rupees;

C. Where permanent partial disablement results from the injury—

(*i*) in the case of an injury specified in Schedule I, such percentage of the compensation which would have been payable in the case of permanent total disablement as is specified therein as being the percentage of the loss of earning capacity caused by that injury, and

(*ii*) in the case of an injury not specified in Schedule I, such percentage of the compensation payable in the case of permanent total disablement as is proportionate to the loss of earning capacity permanently caused by the injury;

Explanation.—Where more injuries than one are caused by the same accident, the amount of compensation payable under this head shall be aggregated but not so in any case as to exceed the amount which would have been payable if permanent total disablement had resulted from the injuries;

D. Where temporary disablement, whether total or partial, results from the injury, a half-monthly payment payable on the sixteenth day after the expiry of a waiting period of seven days from the date of the disablement, and thereafter half monthly during the disablement or during a period of five years, whichever period is shorter,—

(*i*) in the case of an adult in receipt of monthly wages falling within limits shown in the first column of Schedule IV—of the sum shown against such limits in the fourth column thereof, and

(*ii*) in the case of a minor—of one-half of his monthly wages, subject to a maximum of thirty rupees:

Provided that—

(*a*) there shall be deducted from any lump sum or half-monthly payments to which the workman is entitled the amount of any payment or allowance which the workman has received from the employer by way of compensation during the period of disablement prior to the receipt of such lump sum or of the first half-monthly payment, as the case may be: and

(*b*) no half-monthly payment shall in any case exceed the amount if any, by which half the amount of the monthly

wages of the workman before the accident exceeds half the amount of such wages which he is earning after the accident."

Amendment of section 5, Act VIII of 1923.

5. In section 5 of the said Act,—

(*a*) in sub-section (1),—

(*i*) for the word and figure "section 4" the words "this Act" shall be substituted,

(*ii*) after clause (*a*) the following clause shall be inserted, namely :—

"(*b*) where the whole of the continuous period of service immediately preceding the accident during which the workman was in the service of the employer who is liable to pay the compensation was less than one month, the monthly wages of the workman shall be deemed to be the average monthly amount which, during the twelve months immediately preceding the accident, was being earned by a workman employed on the same work by the same employer, or, if there was no workman so employed, by a workman employed on similar work in the same locality ; ",

(*iii*) clause (*b*) shall be re-lettered as clause (*c*), and

(*iv*) the proviso shall be omitted ; and

(*b*) sub-section (2) shall be omitted.

Amendment of section 8, Act VIII of 1923.

6. In section 8 of the said Act,—

(*a*) for the proviso to sub-section (1) the following shall be substituted, namely :—

"Provided that, in the case of a deceased workman, an employer may make to any dependant advances on account of compensation not exceeding an aggregate of one hundred rupees, and so much of such aggregate as does

not exceed the compensation payable to that dependant shall be deducted by the Commissioner from such compensation and repaid to the employer"; and

(*b*) in sub-section (4),—

(*i*) for the words "may deduct" the words "shall deduct" shall be substituted, and

(*ii*) for the words "fifty rupees or so much of that cost or of fifty rupees, whichever is less, as has not already been advanced by the employer on account of such expenses" the words "twenty-five rupees" shall be substituted.

Amendment of section 10, Act VIII of 1923.

7. In section 10 of the said Act,—

(*a*) in sub-section (1), after the first proviso the following proviso shall be inserted, namely :—

"Provided further that the want of or any defect or irregularity in a notice shall not be a bar to the maintenance of proceedings—

(*a*) if the claim is made in respect of the death of a workman resulting from an accident which occurred on the premises of the employer, or at any place where the workman at the time of the accident was working under the control of the employer or of any person employed by him, and the workman died on such premises or at such place, or on any premises belonging to the employer, or died without having left the vicinity of the premises or place where the accident occurred, or

(*b*) if the employer had knowledge of the accident from any other source at or about the time when it occurred :"; and

(*b*) for sub-section (3) the following sub-sections shall be substituted, namely :—

"(3) The Local Government may require that any prescribed class of employers shall maintain at their premises at which workmen are employed a notice-book, in the prescribed form, which shall be readily accessible at all reasonable times to any injured workman employed on the premises and to any person acting *bona fide* on his behalf.

(4) A notice under this section may be served by delivering it at, or sending it by registered post addressed to, the residence or any office or place of business of the person on whom it is to be served, or, where a noticebook is maintained, by entry in the noticebook."

Insertion of new sections 10A and 10B in Act VIII of 1923.

8. After section 10 of the said Act the following sections shall be inserted, namely :—

Power to require from employers statements regarding fatal accidents.

"10A. (1) Where a Commissioner receives information from any source that a workman has died as a result of an accident arising out of and in the course of his employment, he may send by registered post a notice to the workman's employer requiring him to submit, within thirty days of the service of the notice, a statement, in the prescribed form, giving the circumstances attending the death of the workman, and indicating whether, in the opinion of the employer he is or is not liable to deposit compensation on account of the death.

(2) If the employer is of opinion that he is liable to deposit compensation, he shall make the deposit within thirty days of the service of the notice.

(3) If the employer is of opinion that he is not liable to deposit compensation, he shall in his statement indicate the grounds on which he disclaims liability.

(4) Where the employer has so disclaimed liability, the Commissioner, after such inquiry as he may think fit, may inform any of the dependants of the deceased workman that it is open to the dependants to prefer a claim for compensation, and may give them such other further information as he may think fit.

Reports of fatal accidents.

10B. (1) Where, by any law for the time being in force, notice is required to be given to any authority, by or on behalf of an employer of any accident occurring on his premises which results in death, the person required to give the notice shall, within seven days of the death, send a report to the Commissioner giving the circumstances attending the death:

Provided that where the Local Government has so prescribed the person required to give the notice may instead of sending such report to the Commissioner send it to the authority to whom he is required to give the notice.

(2) The Local Government may, by notification in the local official Gazette, extend the provisions of sub-section (1) to any class of premises other than those coming within the scope of that sub-section, and may, by such notification, specify the person who shall send the report to the Commissioner."

Amendment of section 12, Act VIII of 1923.

9. In sub-section (2) of section 12 of the said Act, after the words "the contractor" the words "or any other person from whom the workman could have recovered compensation and where a contractor who is himself a principal is liable to pay compensation or to indemnify a principal under this section he shall be entitled to be indemnified by any person standing to him in the relation

of a contractor from whom the workman could have recovered compensation" shall be inserted.

Amendment of section 15, Act VIII of 1923.

10. In section 15 of the said Act, the words "registered" shall be omitted.

Insertion of new section 18A in Act VIII of 1923.

11. In Chapter II and after section 18 of the said Act, the following section shall be inserted, namely:—

Penalties.

"18A. (1) Whoever—

(*a*) fails to maintain a notice-book which he is required to maintain under sub-section (3) of section 10, or

(*b*) fails to send to the Commissioner a statement which he is required to send under sub-section (1) of section 10A, or

(*c*) fails to send a report which he is required to send under section 10B, or

(*d*) fails to make a return which he is required to make under section 16,

shall be punishable with fine which may extent to one hundred rupees.

(2) No prosecution under this section shall be instituted except by or with the previous sanction of a Commissioner, and no Court shall take cognizance of any offence under this section, unless complaint thereof is made within six months of the day on which the offence is alleged to have been committed."

Amendment of section 19, Act VIII of 1923.

12. In sub-section (1) of section 19 of the said Act, for the words "the Commissioner" the words "a Commissioner" shall be substituted.

Amendment of section 20, Act VIII of 1923.

13. In section 20 of the said Act,—

(*a*) after sub-section (1) the following sub-section shall be inserted, namely :—

"(2) Where more than one Commissioner has been appointed for any local area, the Local Government may, by general or special order, regulate the distribution of business between them"; and

(*b*) sub-sections (2) and (3) shall be renumbered as sub-sections (3) and (4).

Amendment of section 21, Act VIII of 1923.

14. In section 21 of the said Act,—

(*a*) in sub-section (1), for the words "the Commissioner," in both places where they occur, the words "a Commissioner" shall be substituted, and in the proviso the word "registered" shall be omitted, and

(*b*) after sub-section (4) the following sub-section shall be inserted, namely :—

"(5) The Local Government may transfer any matter from any Commissioner appointed by it to any other Commissioner appointed by it."

Amendment of section 22, Act VIII of 1923.

15. In section 22 of the said Act,—

(*a*) in sub-section (1), after the word "Commissioner," the words "other than an application by a dependant or dependants for compensation," shall be inserted; and

(*b*) in sub-section (2),—

(*i*) for the words "Where any such question has arisen, the application" the words "An application to a Commissioner" shall be substituted, and

(*ii*) in clause (*d*), after the brackets and letter "(*d*)," the words "except in the case of an application by dependants for compensation," shall be inserted.

Insertion of new section 22A in Act VIII of 1923.

16. After section 22 of the said Act, the following section shall be inserted, namely :—

Power of Commissioner to require further deposit in cases of fatal accident.

"22A. (1) Where any sum has been deposited by an employer as compensation payable in respect of a workman whose injury has resulted in death, and in the opinion of the Commissioner such sum is insufficient, the Commissioner may, by notice in writing stating his reasons, call upon the employer to show cause why he should not make a further deposit within such time as may be stated in the notice.

(2) If the employer fails to show cause to the satisfaction of the Commissioner, the Commissioner may make an award determining the total amount payable, and requiring the employer to deposit the deficiency."

Amendment of section 30, Act VIII of 1923.

17. To sub-section (1) of section 30 of the said Act, after the existing provisos, the following further proviso shall be added namely :—

"Provided further that no appeal by any employer under clause (*a*) shall lie unless the memorandum of appeal is accompanied by a certificate by the Commissioner to the effect that the appellant has deposited with him the amount payable under the order appealed against,"

Insertion of new section 30A in Act VIII of 1923.

18. After section 30 of the said Act, the following section shall be inserted, namely :—

Withholding of certain payments pending decision of appeal.

"30A. Where an employer makes an appeal under clause (*a*) of sub-section (1) of section 30, the Commissioner may, and if so directed by the High Court shall,

pending the decision of the appeal, withhold payment of any sum in deposit with him."

Amendment of section 33, Act VIII of 1923.

19. In section 33 of the said Act,—

(*i*) in clause (c), the word "and", in the second place where it occurs, shall be omitted;

(*ii*) after clause (c) the following clauses shall be inserted, namely:—

"(*d*) for prescribing the classes of employers who shall maintain notice-books under sub-section (3) of section 10, and the form of such notice-books;

(*e*) for prescribing the form of statement to be submitted by employers under section 10A;

(*f*) for prescribing the cases in which the report referred to in section 10B may be sent to an authority other than the Commissioner; and"; and

(*iii*) clause (*d*) shall be re-lettered as clause (*g*).

Insertion of new section 35 in Act VIII of 1923.

20. After section 34 of the said Act, the following section shall be inserted, namely:—

"35. The Governor-General in Council may, by notification in the Gazette of India, make rules for the transfer to any part of His Majesty's Dominions or to any other country of money paid to a Commissioner under this Act for the benefit of any person residing or about to reside in such part or country and for the receipt and administration in British India of any money awarded under the law relating to workmen's compensation, in any part of His Majesty's Dominions or in any other

Rules to give effect to arrangements with other countries for the transfer of money paid as compensation.

country, and applicable for the benefit of any person residing or about to reside in British India."

Amendment of Schedule II, Act VIII of 1923.

21. In Schedule II to the said Act, for clauses (*i*) to (*xiii*), the following clauses and Explanation shall be substituted, namely :—

"(*i*) employed, otherwise than in a clerical capacity or on a railway, in connection with the operation or maintenance of mechanically propelled vehicles ; or

(*ii*) employed, otherwise than in a clerical capacity, in any premises wherein, or within the precincts whereof, on any one day of the preceding twelve months, ten or more persons have been employed in any manufacturing process, as defined in clause (4) of section 2 of the Indian
XII of 1911. Factories Act, 1911, or in any kind of work whatsoever incidental to or connected with any such manufacturing process or with the article made, and steam, water or other mechanical power or electrical power is used ; or

(*iii*) employed for the purpose of making, altering,
II of 1911. repairing, ornamenting, finishing or otherwise adapting for use, transport or sale any article or part of an article in any premises wherein or within the precincts whereof on any one day of the preceding twelve months, fifty or more persons have been so employed ; or

(*iv*) employed in the manufacture or handling of explosives in any premises wherein, or within the precincts whereof, on any one day of the preceding twelve months, ten or more persons have been so employed ; or

IV of 1923. (*v*) employed, in any mine as defined in clause (*f*) of section 3 of the Indian Mines, Act 1923, in any mining operation, or in any kind of work, other than clerical work, incidental to or connected with any mining operation or with

the mineral obtained, or in any kind of work whatsoever below ground :

Provided that any excavation in which on no day of the preceding twelve months more than fifty persons have been employed or explosives have been used, and whose depth from its highest to its lowest point does not exceed twenty feet shall be deemed not to be a mine for the purpose of this clause ; or

(*vi*) employed as the master or as a seaman of—

(*a*) any ship which is propelled wholly or in part by steam or other mechanical power or by electricity or which is towed or intended to be towed by a ship so propelled, or

(*b*) any ship not included in sub-clause (*a*) of fifty tons net tonnage or over ; or

(*vii*) employed for the purpose of loading, unloading, fuelling, constructing, repairing, demolishing, cleaning or painting any ship of which he is not the master or a member of the crew, or in the handling or transport within the limits of any port subject to the Indian Ports Act, 1908, of goods which have been discharged from or are to be loaded into any vessel ; or XV of 1908.

(*viii*) employed in the construction, repair or demolition of—

(*a*) any building which is designed to be or is or has been more than one storey in height above the ground or twenty feet or more from the ground level to the apex of the roof, or

(*b*) any dam or embankment which is twenty feet or more in height from its lowest to its highest point, or

(*c*) any road, bridge, or tunnel ; or

(*d*) any wharf, quay, sea-wall or other marine work including any moorings of ships ; or

(*ix*) employed in setting up, repairing, maintaining, or taking down any telegraph or telephone line or post or any overhead electric line or cable or post or standard for the same; or

(*x*) employed, otherwise than in a clerical capacity, in the construction, working, repair or demolition of any aerial ropeway, canal, pipe-line, or sewer; or

(*xi*) employed in the service of any fire brigade; or

IX of 1890. (*xii*) employed upon a railway as defined in clause (4) of section 3, and sub-section (1) of section 148 of the Indian Railways Act, 1890, either directly or through a sub-contractor, by a person fulfilling a contract with the railway administration; or

(*xiii*) employed as an inspector, mail guard, sorter or van peon in the Railway Mail Service, or employed in any occupation ordinarily involving outdoor work in the Indian Posts and Telegraphs Department; or

(*xiv*) employed, otherwise than in a clerical capacity, in connection with operations for winning natural petroleum or natural gas; or

I of 1899. (*xv*) employed in any occupation involving blasting operations; or

(*xvi*) employed in the making of any excavation in which on any one day of the preceding twelve months more than fifty persons have been employed or explosives have been used, or whose depth from its highest to its lowest point exceeds twenty feet; or

(*xvii*) employed in the operation of any ferry boat capable of carrying more than ten persons; or

(*xviii*) employed, otherwise than in a clerical capacity, on any estate which is maintained for the purpose of growing

cinchona, coffee, rubber or tea, and on which on any one day in the preceding twelve months twenty-five or more persons have been so employed; or

(*xix*) employed, otherwise than in a clerical capacity, in the generating, transforming or supplying of electrical energy or in the generating or supplying of gas; or XVII of 1927.

(*xx*) employed in a lighthouse as defined in clause (*d*) of section 2 of the Indian Lighthouse Act, 1927; or

(*xxi*) employed in producing cinematograph pictures intended for public exhibition or in exhibiting such pictures; or

(*xxii*) employed in the training, keeping or working of elephants or wild animals; or

(*xxiii*) employed as a diver.

Explanation.—In this Schedule, 'the preceding twelve months' relates in any particular case to the twelve months ending with the day on which the accident in such case occurred."

Amendment of Schedule III, Act VIII of 1923.

22. In Schedule III to the said Act after the entry relating to phosphorus poisoning, the following entries shall be added, namely :—

"Mercury poisoning or its sequelæ.	Any process involving the use of mercury or its preparations or compounds.
Poisoning by benzene and its homologues, or the sequelæ of such poisoning.	Handling benzene or any of its homologues; and any process in the manufacture or involving the use of benzene or any of its homologues.

Chrome ulceration or its sequelæ.	Any process involving the use of chromic acid or bichromate of ammonium, potassium or sodium, or their preparations.
Compressed air illness or its sequelæ.	Any process carried on in compressed air."

Substitution of new Schedule for Schedule IV, Act VIII of 1923.

23. For Schedule IV to the said Act, the following shall be substituted, namely :—

"SCHEDULE IV.

(*See section* 4.)

Compensation payable in certain cases.

Monthly wages of the workman injured.		Amount of compensation for—		Half monthly payment as compensation for TEMPORARY DISABLEMENT OF ADULT.
		DEATH OF ADULT.	PERMANENT TOTAL DISABLEMENT OF ADULT.	
1		2	3	4
More than—	But not more than—			
Rs.	Rs.	Rs.	Rs.	Rs. a.
0	10	500	700	Half his monthly wages.
10	15	500	700	5 0
15	18	600	840	6 0
18	21	630	882	7 0
21	24	720	1,008	8 0
24	27	810	1,134	8 8
27	30	900	1,260	9 0
30	35	1,050	1,470	9 8
35	40	1,200	1,680	10 0
40	45	1,350	1,890	11 4
45	50	1,500	2,100	12 8
50	60	1,800	2,520	15 0
60	70	2,100	2,940	17 8
70	80	2,400	3,360	20 0
80	100	3,000	4,200	25 0
100	200	3,500	4,900	30 0
200	..	4,000	5,600	30 0"

INDIAN INCOME-TAX (SECOND AMENDMENT) ACT.

ACT No. XVIII OF 1933.

[PASSED BY THE INDIAN LEGISLATURE.]

(Received the assent of the Governor General on the 11th September, 1933.)

An Act further to amend the Indian Income-tax Act, 1922, for certain purposes.

WHEREAS it is expedient further to amend the Indian Income-tax Act, 1922, for the purposes hereinafter appearing: It is hereby enacted as follows :— XI of 1922.

Short title.

1. This Act may be called the Indian Income-tax (Second Amendment) Act, 1933.

Amendment of Section 5, Act XI of 1922.

2. In section 5 of the Indian Income-Tax Act, 1922, (hereinafter referred to as the said Act), — XI of 1922.

(*a*) for sub-section (3) the following sub-section shall be substituted, namely :—

" (3) The Governor General in Council may appoint a Commissioner of Income-tax for any area specified in the order of appointment."

(*b*) in sub-section (4),—

(*i*) for the words " in respect of such classes of persons and such classes of income " the words " in respect of such persons or classes of persons and of such incomes or classes of income " shall be substituted, and

(*ii*) after the words " in respect of such areas as the Commissioner of Income-tax may direct " the following words shall be inserted, namely :—

" and, where two or more Assistant Commissioners of Income-tax or Income-tax Officers have been appointed for

the 'same area, in accordance with any orders which the Commissioner of Income-tax may make for the distribution and allocation of the work to be performed" ; and

(*c*) in sub-section (6), for the word "province" the word "area" shall be substituted.

Amendment of section 8, Act XI of 1922.

3. In the first proviso to section 8 of the said Act, after the word "Provided" the word "further," shall be inserted, and before the said proviso as so amended the following proviso shall be inserted, namely :—

"Provided that no income-tax shall be payable under this section by the assessee in respect of any sum deducted from such interest by way of commission by a banker realizing such interest on behalf of the assessee :"

Amendment of section 9, Act XI 1922.

4. For clause (*iv*) of sub-section (1) of section 9 of the said Act the following clause shall be substituted, namely :—

"(*iv*) where the property is subject to a mortgage, or other capital charge, the amount of any interest on such mortgage or charge ; where the property is subject to a ground rent, the amount of such ground rent ; and where the property has been acquired with borrowed capital, the amount of any interest payable on such capital and not specifically charged upon the property itself ;"

Amendment of section 11, Act XI of 1922.

5. For sub-section (2) of section 11 of the said Act the following sub-section shall be substituted, namely :—

"(2) Such profits or gains shall be computed after making the following allowances, namely :—

(*i*) any expenditure (not being in the nature of capital expenditure) incurred solely for the purposes of such

profession or vocation, and not being personal expenses of the assessee ;

(*ii*) in respect of depreciation of buildings and depreciation and obsolescence of machinery, apparatus, appliances, plant, furniture or other capital assets being the property of the assessee and used solely for the purposes of such profession or vocation, the allowances specified in clauses (*vi*) and (*vii*) of sub-section (2) of section 10 subject to all the conditions specified in those clauses."

Amendment of section 16, Act XI of 1922.

6. In sub-section (1) of section 16 of the said Act, for the words and figure "the provisos to section 8" the words and figure "the second and third provisos to section 8" shall be substituted.

Amendment of section 18, Act XI of 1922.

7. In section 18 of the said Act,—

(*a*) sub-section (1) shall be omitted ;

(*b*) in sub-section (2), after the word "income-tax" the words "but not super-tax" shall be inserted ;

(*c*) in sub-section (3),—

(*i*) after the word "shall" the words "unless otherwise prescribed in the case of any security of the Government of India" shall be inserted,

(*ii*) after the words "income-tax" the words "but not super-tax" shall be inserted, and

(*iii*) the following proviso shall be added, namely :—

"Provided that where the Income-tax Officer gives a certificate in writing (which certificate he shall give in every proper case on the application of the assessee) that to the best of his belief the total income of a

recipient will be less than the minimum liable to income-tax or will be liable to a rate of income-tax less than the maximum rate, the person responsible for paying any income herein referred to to such recipient shall, until such certificate is cancelled by the Income-tax Officer, pay the income without deduction or deduct the tax at such less rate, as the case may be."

(*d*) after sub-section (3) as so amended the following sub-sections shall be inserted, namely :—

"(3A) Where the Income-tax Officer has reason to believe that the total income of any person residing out of British India to whom any interest not being 'Interest on Securities' is payable, will in any year exceed the maximum amount which is not chargeable with super-tax under the law for the time being in force, he may, by order in writing require the person responsible for paying such interest to such person to deduct at the time of payment income-tax and super-tax at the rates determined by the Income-tax Officer to be applicable to the total income of such person in that year.

(3B) Where the person responsible for paying any interest not being 'Interest on Securities' to any person pays to that person in any year an amount of such interest exceeding in the aggregate the maximum amount which is not chargeable with super-tax under the law for the time being in force, the person responsible for paying such interest shall, if he has has not reason to believe that the recipient is resident in British India, and no order under sub-section (3A) has been received in respect of such recipient, deduct at the time of payment income-tax on the total amount of such interest at the rate appropriate to such total, and super-tax on the amount by which such

total exceeds the maximum amount not chargeable with super-tax at the rate applicable to such excess.

(3C) Where the Income-tax Officer has reason to believe that any person, who is a shareholder in a company, is resident out of British India and that the total income of such person will in any year exceed the maximum amount which is not chargeable to super-tax under the law for the time being in force, he may, by order in writing require the principal officer of the company to deduct at the time of payment of any dividend from the company to the shareholder in that year super-tax at such rate as the Income-tax Officer may determine as being the rate applicable in respect of the income of the shareholder in that year.

(3D) If in any year the amount of any dividend or the aggregate amount of any dividends paid to any shareholder by a company (together with the amount of any income tax payable by the company in respect thereof) exceeds the maximum amount of the total income of a person which is not chargeable to super-tax under the law for the time being in force, and the principal officer of the company has not reason to believe that the shareholder is resident in British India, and no order under sub-section (3C) has been received in respect of such shareholder by the principal officer from the Income-tax Officer, the principal officer shall at the time of payment deduct super-tax on the amount of such excess at the rate which would be applicable under the law for the time being in force if the amount of such dividend or dividends (together with the amount of such income-tax as aforesaid) constituted the whole total income of the shareholder."

(*e*) in sub-section (5), after the word "income-tax" the words "or super-tax" shall be inserted;

'(*f*) in sub-section (7),—

(*i*) after the words "as required by" the words "or under" shall be inserted, and for the word "personally" the words "an assessee" shall be substituted, and

(*ii*) the following proviso shall be added, namely :—

"Provided that the Income-tax Officer shall not make a direction under sub-section (1) of section 46 for the recovery of any penalty from such person unless satisfied that such person has wilfully failed to deduct and pay the tax"; and

(*g*) in sub-section (9), after the word "income-tax," in both places where it occurs, the words "or super-tax" shall be inserted, and for the word, brackets and figure "sub-section (3)," the words, brackets and figures "sub-section (3), (3A), (3B), (3C) or (3D)" shall be substituted.

Amendment of section 19, Act XI of 1922.

8. In section 19 of the said Act, for the words and figures "any other head than those mentioned in sub-section (1) of section 18" the words "any head other than 'salaries' or 'interest on securities'" shall be substituted.

Insertion of new section 20A in Act XI of 1922.

9. After section 20 of the said Act the following section shall be inserted, namely :—

Supply of information regarding interest.

"20A. The person responsible for paying any interest, not being 'Interest on Securities' shall, on or before the fifteenth day of June in each year, furnish to the prescribed officer a return in the prescribed form and verified in the prescribed manner of the names and addresses of all persons to whom during the previous financial year he has paid interest or aggregate interest exceeding such amount not being less than one thousand rupees as may be

prescribed in this behalf, together with the amount paid to each such person."

Amendment of section 24, Act XI of 1922.

10. In section 24 of the said Act,—

(*a*) in-section (2), after the words "any member of such firm" the words "or any person who being a minor has been admitted to the benefits of partnership in such firm" shall be inserted; and

(*b*) to the same sub-section as so amended the following shall be added, namely :—

"or to his share of the benefits of partnership, as the case may be."

Insertion of new sections 24A and 24B in Act XI of 1922.

11. After section 24 of the said Act, the following sections shall be inserted, namely :—

Assessment in case of departure from British India.

"24A. (1) When it appears to the Income-tax Officer that any person may leave British India during the current financial year, or shortly after its expiry, and that he has no present intention of returning, the Income-tax Officer may proceed to assess him on his total income for the period from the expiry of the last previous year for which he has been assessed to the probable date of his departure from British India. For each completed previous year included in this period an assessment shall be made on the total income of such person at the rate at which it would have been charged had such income been fully assessed, and for the period from the expiry of the last of such previous years to the probable date of departure, the Income-tax Officer shall estimate the total income of

such person and assess it at the rate in force for the financial year in which such assessment is made :—

Provided that nothing herein contained shall authorise an Income-tax Officer to assess any income, profits or gains which have escaped assessment or have been assessed at too low a rate in respect of which he is debarred from issuing a notice under section 34.

(*2*) For the purpose of making an assessment under sub-section (1), the Income-tax Officer may serve a notice upon such person requiring him to furnish, within such time not being less than seven days as may be specified in the notice, a return in the same form and verified in the same manner as a return under sub-section (*2*) of section 22, setting forth (along with such other particulars as may be provided for in the notice) his total income for each of the completed previous years comprised in the period first referred to in sub-section (*1*) and his estimated total income for the period from the expiry of the last such completed previous year to the probable date of his departure; and the provisions of Act shall, so far as may be, apply as if the notice were a notice issued under sub-section (*2*) of section 22.

Tax of deceased person payable by representative.

24B. (*1*) Where a person dies, his executor, administrator or other legal representative shall be liable to pay out of the estate of the deceased person to the extent to which the estate is capable of meeting the charge the tax assessed as payable by such person, or any tax which would have been payable by him under this Act if he had not died.

(*2*) Where a person dies before he is served with a notice under sub-section (*2*) of section 22 or section 34, as the case

may be, the Income-tax Officer may serve on his executor, administrator or other legal representative a notice under sub-section (*2*) of section 22 or under section 34, as the case may be, and may proceed to assess the total income of the deceased person as if such executor, administrator or other legal representative were the assessee.

(3) Where a person dies, without having furnished a return which he has been required to furnish under the provisions of sub-section (2) of section 22, or having furnished a return which the Income-tax Officer has reason to believe to be incorrect or incomplete, the Income-tax Officer may make an assessment of the total income of such person and determine the tax payable by him on the basis of such assessment, and for this purpose may require from the executor, administrator or other legal representative of the deceased person any accounts documents or other evidence which he might under the provisions of sections 22 and 23 have required from the deceased person.

Amendment of section 30, Act XI 1922.

12. In section 30 of the said Act,—

(*a*) in sub-section (*1*), after the words "objecting to a refusal of an Income-tax Officer" the words "to register a firm under section 26A or" shall be inserted, and

(*b*) in sub-section (*2*), after the words "objected to" the words "or of the intimation of the refusal to register a firm under section 26A," shall be inserted.

Amendment of section 31, Act XI of 1922.

13. In sub-section (*3*) of section 31 of the said Act,—

(*a*) after the words "in the case of an order refusing" the words "to register a firm under section 26A or" shall be inserted, and

(*b*) in sub-clause (*c*), for the words "to make a fresh assessment" the words "to register the firm or to make a fresh assessment, as the case may be" shall be substituted.

Amendment of section 32, Act XI of 1922.

14. In sub-section (*1*) of section 32 of the said Act, for the words "making of such order" the words "the date on which he was served with notice of such order" shall be substituted.

Amendment of section 38, Act XI of 1922.

15. To section 38 of the said Act the following clause shall be added, namely :—

"(*3*) require any person whom he has reason to believe to be engaged in business, to furnish him with a return containing particulars of the location and style of his principal place of business, and of his branch businesses, if any, the names and addresses of his partners in any business, and the extent of his own share and the shares of all such partners in the profits of such business or businesses."

V of 1908.

Amendment of section 46, Act XI of 1922.

16. To sub-section (*2*) of section 46 of the said Act the following proviso shall be added, namely :—

"Provided that without prejudice to any other powers of the Collector in this behalf, he shall for the purpose of recovering the said amount have in respect of the attachment and sale of debts due to the assessee the powers which under the Code of Civil Procedure 1908, a Civil Court has in respect of the attachment and sale of debts due to a judgment-debtor for the purpose of the recovery of an amount due under a decree."

Amendment of section 48, Act XI of 1922.

17. In section 48 of the said Act,—

(*a*) in sub-section (*1*),—

(*i*) after the word "declared" the following words shall be inserted, namely :—

"or that his total income in such year is below the minimum chargeable with income-tax," and

(*ii*) after the words "between those rates" the following words shall be added, namely :—

"or at the rate applicable to the profits and gains of the company at the time of the declaration of such dividend, as the case may be";

(*b*) in sub-section (2),—

(*i*) after the words "registered firm" the words "or any person who being a minor has been admitted to the benefits of partnership in such firm" shall be inserted,

(*ii*) after the words "of that year" the following words shall be inserted, namely :—

"or that his total income of the previous year was below the minimum chargeable with income-tax," and

(*iii*) after the words "between those rates" the following words shall be added, namely :—

"or at the rate at which income-tax has been levied, as the case may be"; and

(*c*) in sub-section (3),—

(*i*) after the words "in that year" the following words shall be inserted, namely :—

"or that his total income of the previous year was below the minimum chargeable with income-tax," and

(*ii*) after the words "between these rates" the following words shall be added, namely :—

"or at the rate at which income-tax has been deducted, as the case may be."

Insertion of new section 48A in Act XI of 1922.

18. After section 48 of the said Act, the following section shall be inserted, namely :—

General power to make refund.

"48A. (1) If in any case not provided for by section 48 or by the provisions relating to refunds elsewhere contained in this Act the Income-tax Officer is satisfied, upon claim made in this behalf, that tax has been paid by or on behalf of any person with which he was not properly chargeable or which was in excess of the amount with which he was properly chargeable, the Income-tax Officer shall allow a refund to such person of the amount so paid or so paid in excess.

(2) The Assistant Commissioner in the exercise of his appellate powers, or the Commissioner in the exercise of his appellate powers or powers of revision if satisfied to the like effect shall in like manner cause a refund to be made by the Income-tax Officer of any amount found to have been wrongly paid or paid in excess.

(3) Nothing in this section shall operate to validate any objection or appeal which is otherwise invalid or to authorise the revision of any assessment or other matter which has become final and conclusive, or the review by any officer of a decision of his own which is subject to appeal or revision, or where any relief is specifically provided elsewhere in this Act, to entitle any person to any relief other or greater than that relief."

Insertion of new sections 49A and 49B in Act XI of 1922.

19. After section 49 of the said Act the following sections shall be inserted, namely :—

"49A. Where under any of the provisions of this Act, a refund is found to be due to any person, the Income-tax Officer, Assistant Commissioner or Commissioner, as the case may be, may, in lieu of payment of the refund, set off the amount to be refunded, or any part of that amount against the tax, if any, remaining payable by the person to whom the refund is due.

Power to set off amount of refunds against tax remaining payable.

49B. Where through death, incapacity, bankruptcy, liquidation or other cause, a person who would but for such cause have been entitled to a refund under any of the provisions of this Act, or to make a claim under section 48 or 48A or 49, is unable to receive such refund or to make such claim, his executor, administrator or other legal representative, or the trustee or receiver, as the case may be, shall be entitled to receive such refund or to make such claim for the benefit of such person or his estate."

Power of representative of deceased person or person disabled to make claim on his behalf.

20. After section 50 of the said Act, the following section shall be inserted, namely :—

Insertion of new section 50A in Act XI of 1922.

"50A. (1) Any person objecting to a refusal of an Income-tax Officer to allow a claim to a refund under section 48 or 48A or 49 or to the amount of the refund made in any such case, may appeal to the Assistant Commissioner.

Appeal against refusal of refund.

(2) The appeal shall be presented within thirty days of the date on which the refusal of the refund or the amount of the refund allowed was communicated to the appellant.

(3) The appeal shall be made in the prescribed form and shall be verified in the prescribed manner.

(*4*) The Assistant Commissioner may, after giving the appellant an opportunity of being heard, pass such orders as he thinks fit.'

Amendment of section 51, Act XI of 1922.

21. In clause (*c*) of section 51 of the said Act, after the word and figures "section 19A," the word and figures "section 20A," shall be inserted.

Amendment of section 52, Act XI of 1922.

22. In section 52 of the said Act, after the words and figures "section 19A or" the words and figures "section 20A or" shall be inserted, and after the word and figures "section 33A" the words and figures "or sub-section (*3*) of section 50A" shall be inserted.

Amendment of section 54, Act XI of 1922.

23. In the first proviso to sub-section (2) of section 54 of the said Act, after clause (*c*), the following clause shall be inserted, namely :—

II of 1899.

"(*cc*) of any such particulars occasioned by the lawful exercise by a public servant of his powers under the Indian Stamp Act, 1899, to impound an insufficiently stamped document, or."

Amendment of section 57, Act XI of 1922.

24. In section 57 of the said Act, sub-sections (*2*) and (*3*) shall be omitted, and sub-section (4) shall be renumbered as sub-section (*2*).

Amendment of section 58, Act XI of 1922.

25. In section 58 of the said Act,—

(*a*) in sub-section (*1*),—

(*i*) for the word "except" the words "relating to the charge, assessment, collection and recovery of income-tax

except those contained in" shall be substituted, and for the words and figure "the provisos to section 8" the words and figure "the second and third provisos to section 8" shall be substituted,

(*ii*) the figures "18", where they occur between the figures "17" and "19," shall be omitted,

(*iii*) for the word and figures "and 48" the words, figures and letters "48, 58F and sub-sections (*2*) and (*3*) of section 58G" shall be substituted, and

(*iv*) the proviso shall be omitted; and

(*b*) in sub-section (*2*), before the word and figures "section 57" the words, brackets, figures and letters "sub-sections (*3A*), (*3B*), (*3C*) and (*3D*) of section 18" shall be inserted.

Amendment of section 58G, Act XI of 1922.

26. In section 58G of the said Act,—

(*a*) sub-sections (*1*) and (*2*) shall be re-numbered as sub-sections (*2*) and (*3*), and before sub-section (*2*) as so renumbered the following sub-section shall be inserted, namely:—

"(*1*) Where the accumulated balance due to an employee participating in a recognised provident fund becomes payable, such accumulated balance shall be exempt from payment of super-tax except to the extent of an amount equal to the aggregate of the amounts of super-tax on annual accretions that would have been payable under section 58E up to the first day of April, 1933, if the Indian Income-tax (Second Amendment) Act, 1933, had come into force on the 15th March, 1930";

XVIII of 1933.

(*b*) in sub-section (*2*) as now re-numbered, the words "and super-tax" shall be omitted; and

(*c*) in sub-section (*3*) as now re-numbered, for the word, brackets and figure "sub-section (*1*)," the word, brackets and figure "sub-section (*2*)" shall be substituted.

Amendment of section 60, Act XI of 1922.

27. In sub-section (*2*) of section 60 of the said Act, after the words "in advance" the words "or by reason of his having received in any one financial year salary for more than twelve months" shall be inserted.

Amendment of section 66, Act XI of 1922.

28. In section 66 of the said Act,—

(*a*) in sub-section (*2*), after the word and figures "section 32" the words and figures "or of an order under section 33 enhancing an assessment or otherwise prejudicial to him" shall be inserted;

(*b*) before the existing proviso to sub-section (*2*) the following proviso shall be inserted, namely:—

"Provided that a reference shall lie from an order under section 33 only on a question of law arising out of that order itself, and not on a question of law arising out of a previous order under section 31 or section 32, revised by the order under section 33";

(*c*) in the existing proviso to sub-section (*2*),—

(*i*) after the word "Provided" the word "further" shall be inserted,

(*ii*) after the word "question" the following words shall be inserted, namely:—

"or if the Commissioner rejects the application on the ground that it is time-barred or otherwse incompetent, or if, in exercise of his powers under sub-section (*3*), the Commissioner refuses to state the case," and

(*iii*) after the word "may" the words "within thirty days from the date on which he receives notice of the order passed by the Commissioner" shall be inserted;

(*d*) after sub-section (*3*) the following sub-section shall be inserted, namely :—

"(*3A*) If, on any application being made under sub-section (*2*), the Commissioner rejects it on the ground that it is time-barred, the assessee may, within two months from the date on which he is served with notice of the order of the Commissioner, apply to the High Court, and the High Court, if it is not satisfied of the correctness of the Commissioner's decision, may require the Commissioner to treat the application as made within the time allowed under sub-section (*2*)"; and

(*e*) after sub-section (*7*) the following sub-section shall be inserted, namely :—

"(*7A*) Section 5 of the Indian Limitation Act 1908, shall apply to an application to the High Court by an assessee under sub-section (*3*) or sub-section (*3A*)." IX of 1908.

INDIAN RAILWAYS (AMENDMENT) ACT.

ACT No. XIX OF 1933.

[PASSED BY THE INDIAN LEGISLATURE.]

(Received the assent of the Governor-General on the 11th September, 1933.)

An Act further to Amend the Indian Railways Act, 1890, for a certain purpose.

WHEREAS it is expedient further to amend the Indian Railways Act, 1890, for the purpose hereinafter appearing; IX of 1890.

It is hereby enacted as follows :—

Short title.

1. This Act may be called the Indian Railways (Amendment) Act, 1933.

IX of 1890.

Insertion of new section 51A in Act IX of 1890.

2. After section 51 of the Indian Railways Act, 1890, the following section shall be inserted, namely :—

"51A. (1) Any railway company, not being a company for which the Statute 42 and 43 Vic., Chap. 41, provides, may frame a scheme for the provision and maintenance of a motor transport or air-craft service for passengers, animals or goods with a terminus at or near a station on the railway owned or managed by such company.

Additional power to provide and maintain transport services.

(2) The scheme shall be submitted to the Governor General in Council, who, after consultation with the Local Government or Local Governments concerned, may sanction it, subject to such modifications and conditions as he may prescribe.

(3) The scheme shall be published in the Gazette of India and thereupon the railway company shall, subject to sub-section (4), have the power to provide and maintain a service in accordance therewith.

(4) In respect of any service provided and maintained by any railway company under this section,—

(*a*) the company shall be deemed not to be a railway administration for the purposes of this Act or of any other enactment affecting railways, and no property used exclusively for purposes of the service shall be deemed to be included in the railway or its rolling stock ; and

(*b*) all enactments and rules for the time being in force relating to motor vehicles, air-craft and roads shall apply accordingly.

(5) The Governor General in Council, after consultation with the Local Government or Local Governments

concerned, may, by notification in the Gazette of India, after giving to the railway company six months' notice of his intention so to do, withdraw his sanction to any scheme sanctioned under sub-section (2) or may modify the scheme or impose further conditions on it."

COTTON TEXTILE INDUSTRY PROTECTION (SECOND AMENDMENT) ACT.

ACT No. XX OF 1933.

[PASSED BY THE INDIAN LEGISLATURE.]

(Received the assent of the Governor-General on the 20th September, 1933.)

An Act further to amend the Cotton Textile Industry (Protection) Act, 1930.

WHEREAS it is expedient to continue for a further period the protection already given to the cotton textile industry in British India, and for that purpose further to extend the operation of the duties imposed by the Cotton Textile Industry (Protection) Act, 1930; It is hereby enacted as follows :— XVII of 1930.

Short title.

1. This Act may be called the Cotton Textile Industry Protection (Second Amendment) Act, 1933.

Amendment of sections 2 and 3, Act XVII of 1930.

2. In sub-section (2) of section 2, and in sub-section (2) of section 3 of the Cotton Textile Industry (Protection) Act, 1930, for the word and figures "October, 1933" the word and figures "March, 1934" shall be substituted. XVII of 1930.

INDIAN ARBITRATION (AMENDMENT) ACT.

ACT No. XXI OF 1933.

[PASSED BY THE INDIAN LEGISLATURE.]

(Received the assent of the Governor General on the 31st September, 1933.)

An Act further to amend the Indian Arbitration Act, 1899, for a certain purpose.

WHEREAS it is expedient further to amend the Indian Arbitration Act, 1899, for the purpose hereinafter appearing; It is hereby enacted as follows :— IX of 1899.

Short title.

1. This Act may be called the Indian Arbitration (Amendment) Act, 1933.

Amendment of section 19, Act IX of 1899.

2. In section 19 of the Indian Arbitration Act, 1899, for the words "the Court", where they first occur, the words "the judicial authority before which the proceedings are pending" shall be substituted, and for the said words where they occur for the second time, the words "such authority" shall be substituted. IX of 1899.

DANGEROUS DRUGS (AMENDMENT) ACT.

ACT No. XXVI OF 1933.

[PASSED BY THE INDIAN LEGISLATURE.]

(Received the assent of the Governor General on the 21st September, 1933.)

An Act to amend the Dangerous Drugs Act, 1930, for certain purposes.

WHEREAS it is expedient to amend the Dangerous Drugs Act, 1930, for the purposes hereinafter appearing; It is hereby enacted as follows :— II of 1930.

Short title.

1. This Act may be called the Dangerous Drugs (Amendment) Act, 1933.

Amendment of section 2, Act II of 1930.

2. In sub-clause (*ii*) of clause (*g*) of section 2 of the Dangerous Drugs Act, 1930 (hereinafter referred to as the said Act, after the words "Geneva Convention" the words "or in pursuance of any international convention supplementing the Geneva Convention" shall be inserted. II of 1930.

Amendment of section 4, Act II of 1930.

3. Section 4 of the said Act shall be numbered as sub-section (*1*) of section 4, and the following sub-section shall be added, namely :—

"(*2*) The Local Government may make rules restricting and regulating the manufacture and possession of prepared opium from opium which is lawfully possessed under clause (*b*) of sub-section (*1*)."

INDIAN TARIFF (SECOND AMENDMENT) ACT.

ACT No. XXVIII OF 1933.

[PASSED BY THE INDIAN LEGISLATURE.]

(Received the assent of the Governor General on the 23rd December, 1933.)

An Act further to amend the Indian Tariff Act, 1894, the Indian Finance Act 1931, and the Sea Customs Act, 1878, for certain purposes.

WHEREAS it is expedient further to amend the Indian Tariff Act, 1894, the Indian Finance Act, 1931, and the Sea Customs Act, 1878, for the purposes hereinafter appearing; VIII of 1894. VIII of 1878.

It is hereby enacted as follows :—

Short title.

1. This Act may be called the Indian Tariff (Second Amendment) Act 1933.

Amendment of the Second Schedule, Act VIII of 1894.

VIII of 1894.

2. (*1*) After Item No. 40A of the Second Schedule to the Indian Tariff Act, 1894, the following item shall be inserted, namely :—

"40B	MINERAL OIL, not included in Item No. 40 or Item No. 40A, which is suitable for use as an illuminant in wick lamps.	Imperial gallon.	Two annas and three pies."

(*2*) In sub-item (2) of Item No. 41 of the said Schedule, after the word "thermometer," the words "is not suitable for use as an illuminant in wick lamps," shall be inserted.

Amendment of the Second Schedule to the Indian Finance Act, 1931.

3. After Item No. 40A of the Second Schedule to the Indian Finance Act, 1931, the following item shall be inserted, namely :—

"40B	MINERAL OIL included in Item No. 40B.	Nine pies per Imperial gallon."

VIII of 1878

Insertion of new section 195A in Act VIII of 1878.

4. After section 195 of the Sea Customs Act, 1878, the following section shall be inserted, namely :—

Power to make rules for determining whether mineral oil is suitable for use as an illuminant.

"195A. (*1*) When by any law for the time being in force a duty of customs is imposed on mineral oil which is specified as being suitable or as not being suitable for use as an illuminant in wick lamps, the Chief Customs Authority may make rules for determining in disputed cases whether any mineral oil is or is not suitable for such use.

(*2*) In particular such rules may—

(*a*) specify the design, construction and materials of test lamps to be used for testing the burning properties

of mineral oil in wick lamps and provide for the standardisation of such test lamps; and

(*b*) prescribe the manner in which and the persons by whom tests are to be carried out and the standards to be accepted for deciding whether any mineral oil is or is not suitable for use as an illuminant in wick lamps."

BOMBAY FINANCE (AMENDMENT) ACT.

BOMBAY ACT No. I OF 1933.

(First published, after having received the assent of the Governor General, in the "Bombay Government Gazette" on the 23rd March 1933.)

An Act to amend the Bombay Finance Act, 1932.

WHEREAS it is expedient to amend the Bombay Finance Act, 1932, for the purposes hereinafter appearing; And whereas the previous sanction of the Governor General required by sub-section (*3*) of section 80A of the Government of India Act and the previous sanction of the Governor required under section 80C of the Government of India Act have been obtained for the passing of this Act; It is hereby enacted as follows:— Bom. II of 1932. 5 & 6 Geo. V, c. 61. 5 & 6 Geo. V, c. 61.

Short title and commencement.

1. (*1*) This Act may be called the Bombay Finance (Amendment) Act, 1933.

(*2*) It shall come into force on the 31st day of March 1933.

Amendment of section 2 of Bom. II of 1932.

2. The provisions of Part II of the Bombay Finance Act, 1932, hereinafter called the said Act, relating to

Bom. II of 1932. the levy of duty on consumption of electrical energy, the amendments made in the Court Fees Act, 1870, in its application to the Presidency of Bombay by the provisions of Part III of the said Act, and the amendments made in the Indian Stamp Act, 1899, in its application to the Presidency of Bombay by the provisions of Part IV of the said Act, are hereby continued in operation for a further period of one year by the substitution of the words "two years" for the words "one year" in sub-section (*3*) of section 2 of the said Act.

VII of 1870.

II of 1899.

BOMBAY DISTRICT TOBACCO ACT.

BOMBAY ACT No. II OF 1933.

(*First published, after having received the assent of the Governor General, in the "Bombay Government Gazette" on the 27th March* 1933.)

An Act for the imposition and levy of fees on the sale of tobacco in the Presidency of Bombay excluding the City of Bombay.

WHEREAS it is expedient to impose and levy licence fees on the sale of tobacco in the Presidency of Bombay excluding the City of Bombay; And whereas the previous sanction of the Governor-General required by section 80A (3) of the Government of India Act and the previous sanction of the Governor required by section 80C of the said Act have been obtained for the passing of this Act; It is hereby enacted as follows :—

5 & 6 Geo. V, c. 61.

Short title and extent.

1. (1) This Act may be called the Bombay (District) Tobacco Act, 1933.

(2) It extends to the whole of the Presidency of Bombay except the City of Bombay and such area as Government may by notification published in the *Bombay Government Gazette* exclude.

(3) It shall come into force from the 1st day of April 1933 and shall remain in force for a period of two years.

Definitions.

2. In this Act, unless there is any thing repugnant in the subject or context,—

(1) "Collector" includes any officer appointed under section 5 to exercise the powers and perform the duties of a Collector under this Act;

(2) "Commissioner" means an officer appointed under section 3 to be a Commissioner for the purpose of this Act;

(3) "Grower" means a person who by himself or by members of his household or by his servants, agents or tenants grows tobacco;

(4) "Hawker" means a person who goes from place to place or from house to house carrying or exposing for sale tobacco or exposing samples of tobacco to be afterwards deliverd;

(5) "Holder" means a holder of a licence;

(6) "Licence" means a licence for the sale of tobacco granted under section 7;

(7) "Magistrate" means a magistrate of the first or second class or a magistrate of the third class specially authorised in this behalf by the District Magistrate;

(8) "Prescribed" means prescribed by rules;

(9) "Retail sale" means a sale other than a wholesale sale;

(10) "Rule" means a rule made under section 27;

(11) "Tobacco" includes bidis, cigarettes and cigars, the leaf, stalks and stem of the tobacco plant and any preparation or mixture of tobacco;

(12) "Tobacco Officer" means the Commissioner, a Collector or any other officer or person lawfully appointed or invested with powers under section 5;

(13) "Tobacco revenue" means revenue derived or derivable from any fee, fine (other than a fine imposed by a court of law) or confiscation imposed or ordered and all sums accruing to Government, under the provisions of this Act; and

(14) "Wholesale sale" means a sale of tobacco to traders in that commodity for the purpose of trade.

Appointment and duties of Commissioner.

3. (1) Government may, by notification in the *Bombay Government Gazette*, appoint for the whole or for any part of the Presidency of Bombay in which this Act shall be in force, an officer to be the Commissioner;

(2) The Commissioner shall, subject to the control of Government, superintend the administration of the Tobacco Department and the collection of tobacco revenue.

Collectors charged with carrying out the Act.

4. Subject to the control and direction of the Commissioner and the orders of Government, the Collectors are charged with the collection of tobacco revenue and with the carrying out of the provisions of this Act.

Appointment of special Collectors and other tobacco officers.

5. (1) Government may, by notification in the *Bombay Government Gazette*, appoint any person other than the Collector of Land-revenue to exercise, in any district or place, all the powers and perform all the duties conferred and imposed by this Act on a Collector, subject to such control, if any, in addition to that of the Commissioner and of Government, as Government may from time to time direct.

(2) The Commissioner may, subject to the general or special orders of Government, appoint any person to be a Tobacco Officer and assign to him such powers and duties under this Act, as he may deem fit.

(3) Government, or subject to such orders as aforesaid, the Commissioner may invest any officer or person with such powers and impose upon him such duties under this Act, as Government or the Commissioner, as the case may be, may deem fit and any such officer shall thereupon exercise the said powers and discharge the said duties in addition to the powers and duties incident to his principal office.

Prohibition of sale of tobacco without licence.

6. No person shall sell or expose for sale any tobacco except under and in accordance with the terms and conditions of a licence granted under section 7:

Provided that a grower of tobacco may, without licence, sell tobacco (other than bidis, cigarettes, cigars and any preparation or mixture of tobacco) grown by him.

Explanation.—The supply of tobacco by clubs to their members on payment of any price, fee or subscription is a sale within the meaning of this section.

Grant of licences.

7. (*1*) Every licence for the sale of tobacco whether wholesale, retail or by a hawker shall be granted annually or for any less period by the Collector in the manner prescribed by Government on payment of fees, subject to the maxima specified in the schedule hereto annexed.

(*2*) Such licences shall be in such form and subject to such conditions and restrictions as Government may prescribe.

Suspension or revocation of licences.

8. (*1*) Subject to such conditions as may be prescribed by Government, the authority granting any licence may suspend or cancel the licence,

(*a*) if any fee payable under the licence is not duly paid ; or

(*b*) if there be any breach of any of the conditions of the licence or of any other licence previously granted to the holder either by the holder or his servant or any one acting on behalfof the holder with his express or implied permission.

(*2*) The holder shall not be entitled to any compensation for the cancellation or suspension of a licence under sub-section (*1*) nor to refund of any fee paid or deposit made in respect thereof.

(*3*) Where a licence is cancelled or suspended under sub-section (*1*) the balance of the fee payable under the licence may be recovered from the holder or his surety in the same manner as tobacco revenue.

Issue of warrants.

9. (*1*) The Commissioner or Collector or any other Tobacco Officer duly empowered in this behalf or a Magistrate may issue a warrant,—

(*a*) for the arrest of any person whom he has reason to believe to have committed and offence punishable under this Act, or

(*b*) for the search, whether by day or by night, of any building, vessel or place in which he has reason to believe that any tobacco is sold or is exposed for sale contrary to the provisions of this Act.

V of 1898.

(*2*) All warrants issued under this section shall be executed in accordance with the provisions of the Code of Criminal Procedure, 1898, by a Police Officer or by a Tobacco Officer duly empowered in this behalf or if the officer issuing the warrant deems fit, by any other person.

Power of entry, search, seizure and detention.

10. The Collector or any other Tobacco Officer duly empowered in this behalf may—

(*a*) enter and search, at any time, by day or by night, any building, vessel, vehicle or any place in which he has reason to believe that any tobacco liable to confiscation under this Act is kept or concealed ;

(*b*) seize any tobacco or any other article which he has reason to believe is liable to confiscation under this Act ; and

(*c*) detain and arrest any person whom he has reason to believe to be guilty of any offence punishable under this Act.

Searches how made.

11. All searches made under section 10 shall be made in accordance with the provisions of the Code of Criminal Procedure, 1898. V of 1898.

Procedure for arrest without warrant.

12. The provisions of section 61 of the Code of Criminal Procedure, 1898, shall apply to all arrests without warrant made under section 10. V of 1898.

Officers bound to assist.

13. All village officers, all village servants useful to Government, and all officers of the departments of Excise, Police and Revenue shall be bound—

(*a*) to give immediate information to a Tobacco Officer of the commission of any offence, or of the intention or preparation to commit any offence punishable under this Act which may come to their knowledge ;

(*b*) to take all reasonable measures in their power to prevent the commission of any such offence which they may know or have reason to believe is about to be committed ; and

(*c*) to assist any Tobacco Officer in carrying out the provisions of this Act.

Tobacco Officer to have powers of investigation.

14. (*1*) Every Tobacco Officer not below such rank as Government may determine, shall within the area for which he is appointed, have power to investigate all offences punishable under this Act.

V of 1898.

(*2*) Every such officer shall in the conduct of such investigation exercise the powers conferred by the Code of Criminal Procedure, 1898, upon an officer in charge of a police station for the investigation of a cognizable offence :

Provided that—

(*a*) if such officer is of opinion that there is not sufficient evidence or reasonable ground of suspicion to justify the forwarding of an accused to a Magistrate, or that the person arrested may be discharged with a warning, such officer shall release him on his executing a bond, with or without sureties, to appear if and when so required before a Magistrate and shall make a full report of the case to his official superior and be guided by the order which he shall receive on such report ;

(*b*) the powers of a Tobacco Officer empowered under this section shall be subject to such further modifications or restrictions as Government may determine.

Offences under the Act to be bailable.

15. (*1*) All offences punishable under this Act shall be bailable.

V of 1898.

(*2*) Any Tobacco Officer empowered under section 14 to investigate an offence punishable under this Act shall have power to grant bail in accordance with the provisions of the Code of Criminal Procedure, 1898, to any person arrested without warrant for an offence punishable under this Act.

16. When anything has been seized by a Tobacco Officer exercising powers under section 14 such officer, after such inquiry as may be necessary—

Articles seized.

(*a*) if it appears that such thing is required as evidence in the case of any person arrested, shall forward the thing to the Magistrate to whom such person is forwarded or for his appearance before whom bail has been taken;

(*b*) if it appears that such thing is liable to confiscation but is not required as evidence as aforesaid, shall send the thing with a report of the particulars of the siezure to his superior officer, if any;

(*c*) if no offence appears to have been committed shall return the thing to the person from whose possession it was taken and shall report to his superior officer, if any, accordingly.

17. Whoever in contravention of this Act or of any rule or order made under this Act or of any terms or conditions of a licence sells or exposes for sale tobacco, shall be punishable on conviction with a fine not exceeding two hundred rupees.

Penalty for contravention of this Act.

18. Any Tobacco Officer or other person who, without reasonable ground of suspicion, enters or searches, or causes to be searched, any building, vessel or place, or vexatiously and unnecessarily seizes the property of any person on the pretence of seizing or searching for anything liable to confiscation under this Act,

Penalty for vexatious search or arrest.

or vexatiously and unnecessarily detains, searches or arrests any person, shall, on conviction, be punishable for every such offence, with fine which may extend to two hundred rupees.

19. Any Tobacco Officer or other person who vexatiously and unnecessarily delays forwarding to a Magistrate any person arrested under this Act and not released by him on bail shall on conviction be punishable with fine which may extend to fifty rupees.

Penalty for vexatious delay in forwarding an arrested person to a Magistrate.

20. Whenever an offence under this Act has been committed, all tobacco in respect of which the offence has been committed and every box, receptacle, package or covering in which such tobacco is contained shall be liable to confiscation.

Confiscation.

21. (1) When in any case tried by a Magistrate the Magistrate decides that anything is liable to confiscation under the foregoing section, he may, after hearing the person, if any, claiming any right thereto and the evidence, if any, which he produces in support of his claim, order confiscation or may give the owner option to pay such fine as the Magistrate deems fit in lieu of confiscation.

Procedure in confiscation.

(2) When an offence under this Act has been committed and the offender is not known or cannot be found or when anything to liable to confiscation under this Act and not in the possession of any person cannot be satisfactorily accounted for, the case shall be enquired into and determined by the Collector, who may order confiscation.

Provided that no such order shall be made before the expiration of one month from the date of seizing the thing intended to be confiscated, or without hearing the person, if any, claiming any right thereto and the evidence, if any, which he produces in support of his claim.

Compounding offences.

22. (1) The Commissioner or any Collector or any other Tobacco Officer specially empowered by Government in this behalf may accept from any person whose licence is liable to be cancelled or suspended under section 8 or who is reasonably suspected of having committed an offence under section 17 a sum of money in lieu of such cancellation or suspension or by way of composition for the offence which may have been committed, as the case may be, and in all cases whatsoever in which any property has been seized as liable to confiscation under this Act may release the same on payment of the value thereof as estimated by such officer.

(2) On the payment by such person of such money or value or both, as the case may be, to such officer, such person if in custody shall be set at liberty and the property seized shall be released and if criminal proceedings shall have been instituted against such person, the composition shall be held to amount to an acquittal and in no case shall any further proceedings be taken against such person or property with reference to the same facts.

Cognizance of offences.

23. (1) No Magistrate shall take cognizance of any offence punishable under this Act,—

(*i*) except upon the complaint or report of the Commissioner, or a Collector or any other Tobacco Officer empowered in this behalf or of an Excise or Police Officer, or

(*ii*) except upon his own knowledge or suspicion.

(2) Except with the sanction of Government, no Magistrate shall take cognizance of any offence punishable under this Act, unless the prosecution is instituted within six months from the date on which the offence is alleged to have been committed.

Protection of persons acting in good faith and limitation of suits and prosecutions.

24. (*1*) No suit, prosecution or other legal proceedings shall be instituted against any person for anything which is in good faith done or intended to be done under this Act or the rules.

(*2*) No suit shall be instituted against Government and no prosecution or suit shall lie against any Tobacco Officer in respect of anything done, or alleged to have been done, in pursuance of this Act, unless the suit or prosecution has been instituted within four months from the date of the act complained of.

Recovery of tobacco revenue, etc.

25. The following moneys' namely :—

(*a*) all tobacco revenue,

(*b*) any loss that may accrue in consequence of the suspension or cancellation of a licence,

may be recovered from the person primarily liable to pay the same or from his surety (if any) as arrears of land revenue.

Appeals and revision.

26. (*1*) Any person aggrieved by any order under this Act may appeal—

(*a*) to the Collector, if such order was passed by a Tobacco Officer other than the Collector or Commissioner,

(*b*) to the Commissioner, if such order was passed by the Collector, and

(*c*) to Government, if such order was passed by the Commissioner except on an appeal under clause (*b*).

(*2*) Every order passed in appeal under this section shall, subject to the powers of revision conferred by sub-section (*3*) be final.

(*3*) Government may call for and examine the record of any order or the proceedings of any Tobacco Officer for the

purpose of satisfying themselves as to the legality and propriety of any order passed and as to the regularity of the proceedings of such officer. If in any case it shall appear to Government that any order or proceedings so called for should be modified, annulled or reversed, they may pass such order as they may deem fit.

Power of the Government to make rules.

27. (*1*) Government may make rules for the purpose of carrying into effect the provisions of this Act.

(*2*) In particular and without prejudice to the generality of the foregoing provision, such rules may be made for all or any of the following purposes, namely :—

(*a*) under section 5, regulating the powers and duties to be exercised and performed by Tobacco Officers and the assignment of such powers and duties ;

(*b*) under section 7, prescribing the manner in which the fees are to be charged, the form of and the conditions and restrictions on which, licences shall be granted ;

(*c*) under section 8, prescribing the conditions on which licences may be suspended or cancelled ;

(*d*) prescribing the limits of any town or village in which the fees specified in the schedule hereto annexed shall be leviable.

(*3*) Rules made under this section shall be subject to previous publication.

(*4*) Rules made under this section shall be laid upon the table of the Bombay Legislative Council at the session of the said Council next following and shall be liable to be modified or rescinded by a resolution of the said Council and such rule shall, after notification in the *Bombay Government Gazette*, be deemed to have been modified or rescinded accordingly :

Provided that when, in the opinion of Government, such modification or rescission is likely to defeat or frustrate any of the purposes of this Act, Government may, by notification in the *Bombay Government Gazette*, declare that the modification or rescission shall have no effect and thereupon the rule shall remain in force as if it had not been modified or rescinded.

Delegation of powers.

28. The powers conferred on the Commissioner under this Act may, subject to the general or special orders of Government, be delegated by the Commissioner in whole on in part, to the Collectors or to any subordinate officer.

SCHEDULE.

(SECTION 7.)

Licence Fees.

		Rs.
Wholesale—		
Maximum rate		150
Retail—		
For towns and villages (Population.)	Maximum rates. Scale A.	Scale B.
	Rs. a.	Rs. a.
I. 100,000 or more	75 0	40 0
II. Less than 100,000, but not less than 25,000	50 0	25 0
III. Less than 25,000, but not less than 10,000	40 0	20 0
IV. Less than 10,000, but not less than 5,000	20 0	10 0
V. Less than 5,000, but not less than 2,000	10 0	5 0
VI. Less than 2,000, but not less than 1,001	5 0	5 0
VII. 1,000 or less	2 8	2 8
Hawker—		
Maximum rate	2 0	2 0

CITY OF BOMBAY MUNICIPAL (AMENDMENT) ACT.

BOMBAY ACT No. XIII 1933.

(First published, after having received the assent of the Governor-General, in the "Bombay Government Gazette" on the 28th September 1933).

An Act further to amend the City of Bombay Municipal Act, 1868, with a view to transfer the powers and duties of the Trustees for the Improvement of the City of Bombay to, and to vest the property and rights vested in the said Trustees in, the Municipal Corporation of the City of Bombay, on the dissolution of the Board of the said Trustees.

WHEREAS the City of Bombay Improvement Trust Transfer Act, 1925, was enacted with a view to transfer to the Municipal Corporation of the City of Bombay the powers of the Board of Trustees for the Improvement of the City of Bombay constituted under the City of Bombay Improvement Act, 1898, and to entrust to the said Corporation, subject to the conditions and limitations specified, the duties of the said Board and to vest in the said Corporation, for the purpose of the improvement of the City of Bombay, the property and rights of the said Board ;

Bom. XVI of 1925.

Bom. IV, of 1898.

And whereas in pursuance of the aforesaid object the duty of carrying out the provisions of the City of Bombay Improvement Trust Transfer Act, 1925, was, subject to the conditions and limitations therein contained, entrusted to the said Corporation as the Board of Trustees for the Improvement of the City of Bombay as a body corporate with perpetual succession and a common seal and certain property and rights were vested in the said Board ;

Bom. XVI of 1925.

And whereas by section 83 of that Act it was further provided that when the Corporation are satisfied that there is no longer any necessity for the continuance of the Board of Trustees they shall make a representation to Government in that behalf and the Government may, in the manner prescribed in the said section, dissolve the Board;

And whereas a representation has been made to the Government of Bombay by the said Corporation that the said Board be now dissolved and that legislation may be undertaken to make such amendments as may be necessary in the City of Bombay Municipal Act, 1888, for that purpose;

Bom. III of 1888.

And whereas it appears to the Government of Bombay that the said Board should now be dissolved and that the powers and duties of the said Board should be transferred to and the property and rights vested in the said Board should be vested in the said Corporation subject to the limitations hereinafter mentioned and that a Committee of the said Corporation to be called the Improvements Committee should be constituted in accordance with the provisions of this Act, and subject to the restrictions and conditions hereinafter specified, for the purpose of the improvement of the City of Bombay in the manner hereinafter mentioned;

And whereas it is proposed that certain lands shall be vested in the said Corporation in the manner hereinafter appearing;

And whereas the plans of such last mentioned lands have been deposited with the Collector of Bombay and are hereinafter referred to as deposited plans;

And whereas for the purposes aforesaid it is expedient to amend the City of Bombay Municipal Act, 1888, in manner hereinafter appearing;

Bom. III of 1888.

And whereas the previous sanction of the Governor-General required by sub-section (3) of section 80A of the Government of India Act, and the previous sanction of the Governor required by section 80C of the said Act have been obtained for the passing of this Act; It is hereby enacted as follows:— 5 & 6 Geo. V, c. 61.

Short title.

1. This Act may be called the City of Bombay Municipal (Amendment) Act, 1933.

Commencement.

2. This Act shall come into operation from such date as the Government may, by notification in the *Bombay Government Gazette, appoint.*

Amendment of section 3 of Bom. III of 1888.

3. In section 3 of the City of Bombay Municipal Act, 1888, hereinafter referred to as the said Act, Bom. III of 1888.

(*a*) in clause (*e*), after the figures "55" the words figures and letters "and the Deputy Municipal Commissioner (Improvements) appointed under section 56A" shall be inserted;

(*b*) in clause (*o*), after the word "issued," where it occurs for the second time, the words "and any debentures or other securities issued under the City of Bombay Improvement Act, 1898, and the City of Bombay Improvement Trust Transfer Act, 1925" shall be inserted; and Bom. IV of 1898. Bom. XVI of 1925.

(*c*) in clause (*r*), after the word "water" the words "benefits to arise out of land, things attached to the earth or permanently fastened to anything attached to the earth and rights created by legislative enactment over any street" shall be inserted.

Amendment of section 38B of Bom. III of 1888.

4. (1) Section 38B (1) of the said Act shall be renumbered "38B".

(*d*) To the marginal note to the said section 38B the following shall be added, namely :—

" or the Improvements Committee."

(3) In the said section 38 B—

(*i*) after the words " Standing Committee" where they occur for the first time the words " or the Improvements Committee" shall be inserted ; and

(*ii*) after the words " Standing Committee " where they occur for the second and third times, the words " or the Improvements Committee, as the case may be " shall be inserted.

New section 38C of Bom. Act III of 1888.

5. After section 38B of the said Act, the following shall be inserted, namely :—

" 38C. The Improvements Committee may from time to time appoint out of their own body sub-committees consisting of such number of persons as the Improvements Committee may think fit and may refer to such sub-committees for inquiry and report or for opinion any matter with which the Improvements Committee is competent to deal under the provisions of this Act."

Appointment of sub-committees by the Improvements Committee.

New sections 49A to 49J of Bom. III of 1888.

6. After section 49 of the said Act the following sections shall be inserted, namely : —

" 49A. The Corporation shall appoint a Committee to be called the Improvements Committee, for the purpose of the improvement of the City, in accordance with the provisions of this Act, and subject to such conditions and limitations as are in this Act contained.

Improvements Committee to be constituted for the purpose of carrying out the improvement of the City.

Constitution of the Improvements Committee.

49B. The Improvements Committee shall consist of sixteen councillors, twelve appointed by the Corporation and four by Government.

Members of the Improvements Committee when to be appointed.

49C. (1) The Corporation shall, at their first ordinary meeting after the City of Bombay Muncipal (Amendment) Act, 1933, comes into operation, and thereafter at their first meeting in the month of April after each general election, appoint twelve persons out of their own body to be members of the Improvements Committee.

(2) Four other councillors shall be appointed by Government to be members of the Improvements Committee within one week after such appointment by the Corporation :

Provided that if none of the persons appointed by the Corporation under sub-section (1) be a councillor elected by delegates under sub-section (1) of section 5, Government shall appoint a councillor so elected to be one of the four members of the Improvements Committee appointed under this sub-section.

Appointment of Chairman of Improvements Committee.

49D. (1) The Improvements Committee shall at their first meeting appoint one of their number to be their Chairman until the first meeting of the said Committee in the next following official year, and thereafter, the said Committee shall at their first meeting in each official year appoint a member of their body to be their Chairman until the first meeting of the said Committee in the next following official year.

(2) A member of the Improvements Committee who ceases to be the Chairman shall be re-eligible.

(3) If any casual vacancy occurs in the office of Chairman, the Improvements Committee shall, as soon as they conveniently can after the occurrence of such vacancy, choose one of their number to fill such vacancy and every Chairman so chosen shall continue in office so long only, as the person in whose place he is appointed would have been entitled to continue if such vacancy had not occurred.

Members of the Improvements Committee to retire by rotation.

49E. (1) One-half of the members of the Improvements Committee appointed by the Corporation and one-half of those appointed by Government, the selection of the said members being made by lot at such time previous to the first day of March and in such manner as the Chairman shall determine, shall retire from office at noon on the first day of April next following the date of their appointment.

(2) The remaining members of the Improvements Committee shall retire from office at noon on the first day of April next following the first day of April aforesaid.

Appointment of members of Improvements Committee to replace those who retire.

49F. (1) The Corporation shall at their ordinary meeting in the month of March appoint fresh members of the Improvements Committee to fill the offices of those previously appointed by them who retire from time to time as aforesaid, and within one week after any such appointment by the Corporation, Government shall appoint fresh members to fill the offices of those previously appointed by them who retire as aforesaid.

(2) Any councillor who ceases to be a member of the Improvements Committee shall be re-eligible.

Casual vacancies in the Improvements Committee how to be filled up.

49G. In the event of non-acceptance of office by a councillor appointed to be a member of the Improvements Committee or of the death, resignation or disqualification of a member of the said Committee or of his becoming incapable of acting previous to the expiry of his term of office, the vacancy shall be filled up, as soon as conveniently may be by the appointment by the Corporation or by Government, as the case may be, of a person thereto, who shall hold office so long only as the member in whose place he is appointed would have been entitled to hold it, if the vacancy had not occurred.

Improvements Committee to continue in office till a new Committee is appointed.

49H. The Improvements Committee in existence on the day for the retirement of councillors shall continue to hold office until such time as a new Improvements Committee is appointed under section 49C, notwithstanding that the members of the said Committee or some of them may no longer be councillors.

Provisions to regulate the proceedings of the Improvements Committee.

49I. The Improvements Committee shall meet for the despatch of business in the Chief Municipal Office and the said Committee may, from time to time, make such regulations with respect to such meetings as they think fit, subject to the following conditions:—

(*a*) there shall be a meeting of the Improvements Committee once a month, and at such other times as shall be found necessary;

(*b*) the first meeting of the Improvements Committee shall be held on a day and at a time to be fixed by the Mayor, and if not held on that day shall be held on some

subsequent day to be fixed by the Mayor; and every subsequent meeting of the Improvements Committee shall be held on such day and at such time as the said Committee may, from time to time, determine;

(*c*) the Chairman of the Improvements Committee may, whenever he thinks fit, and shall, upon a written requisition signed by the Commissioner or by not less than four members of the Committee, call a special meeting of the said Committee within forty-eight hours for the transaction of any business;

(*d*) no business shall be transacted at a meeting of the Improvements Committee unless at least eight members are present from the beginning to the end of such meeting;

(*e*) every meeting of the Improvements Committee shall be presided over by the Chairman, if the Chairman is present at the time appointed for holding the meeting, and, if the Chairman is absent, by such one of the members present as may be chosen by the meeting to be Chairman for the occasion;

(*f*) every question shall be decided by a majority of votes of the members of the Improvements Committee present and voting on that question, the presiding authority having a second or casting vote when there is an equality of votes;

(*g*) a minute shall be kept by the municipal secretary of the names of the members present and of the proceedings at each meeting of the Improvements Committee in a book to be provided for this purpose, which shall be signed at, and by the presiding authority of, the next ensuing meeting;

(*h*) a member of the Improvements Committee shall not vote or take part in the discussion before the said

Committee or before any sub-committee of any matter in which he has, directly or indirectly, by himself or by his partner, any share or interest such as is described in clauses (*g*) to (*l*), both inclusive, of section 16, or in which he is professionally interested on behalf of a client, principal or other person ;

(*i*) the Commissioner, or the Deputy Municipal Commissioner (Improvements), or, in the absence of the latter, a Deputy Municipal Commissioner when authorized by the Commissioner in this behalf, shall have the same right of being present at a meeting of the Improvements Committee and of taking part in the discussions thereat as a member of the said Committee, but he shall not be at liberty to vote upon, or make, any proposition at such meeting ;

(*j*) any member of the Improvements Committee who absents himself during three successive months from the meetings of the Committee, except on account of temporary illness or other cause to be approved by the Committee, shall cease to be a member and his office shall thereupon be vacant.

Existing Committee to continue pending formation of new Improvements Committee.

49J. The Improvements Committee in existence when the City of Bombay Municipal (Amendment) Act, 1933, comes into operation shall, so far as is not inconsistent with the provisions of the City of Bombay Municipal (Amendment) Act, 1933, continue to exercise all the powers and to perform all the duties vested in or imposed on the Improvements Committee under the City of Bombay Improvement Trust Transfer Act, 1925, until the Improvements Committee to be formed in accordance with the provisions of the City of Bombay Municipal (Amendment) Act, 1933, shall have been so formed."

Bom. XVI of 1925.

New sections 56A and 56B of Bom. III of 1888.

7. After section 56 of the said Act the following sections shall be inserted, namely :—

Appointment of Deputy Municipal Commisioner (Improvements).

"56A. (1) Subject to the previous approval of Government the Corporation shall, as soon as conveniently may be after the commencement of the City of Bombay Municipal (Amendment) Act, 1933, appoint a Deputy Municipal Commissioner to be styled the Deputy Municipal Commissioner (Improvements). Such appointment shall be in addition to any appointment of a Deputy Municipal Commissioner made under sub-section (1) of section 55.

(2) Every person so appointed shall be subject to all the liabilities, restrictions and conditions to which the Commissioner is subject under this Act.

(3) A person appointed Deputy Municipal Commissioner (Improvements) shall be appointed, in the first instance for a period of five years, which may be renewed from time to time for a like or lesser period.

(4) The person appointed to be the Chief Officer under section 26 of the City of Bombay Improvement Trust Transfer Act, 1925, and holding that office at the commencement of the City of Bombay Municipal (Amendment) Act, 1933, shall be the Deputy Municipal Commissioner (Improvements) under this Act until the Corporation shall have appointed a Deputy Municipal Commissioner (Improvements) under the provisions of sub-section (1) and until such Deputy Municipal Commissioner shall have entered on the discharge of the duties of his office.

Bom. XVI of 1925.

Functions of the Deputy Municipal Commissioner (Improvements).

56B. (1) The Deputy Municipal Commissioner (Improvements) shall be subordinate to the Commissioner and, subject to his orders, shall exercise such of the

powers and perform such of the duties of the Commissioner in connection with the improvement of the City and such other duties of a Deputy Municipal Commissioner as the Commissioner may from time to time direct:

Provided that the Commissioner shall inform the Corporation of the powers and duties which he from time to time deputes to the Deputy Municipal Commissioner (Improvements).

(2) All acts and things performed and done by the Deputy Municipal Commissioner (Improvements), during his tenure of the said office and in virtue thereof, shall for all purposes be deemed to have been performed and done by the Commissioner."

New section 58A of Bom. III of 1888.

8. After section 58 of the said Act the following section shall be inserted, namely:-

"58A. The Deputy Municipal Commissioner (Improvements) shall receive such monthly salary not exceeding rupees fifteen hundred and not less than rupees twelve hundred as the Corporation shall, from time to time, determine:

Remuneration of the Deputy Municipal Commissioner (Improvements).

Provided that the person holding office of the Chief Officer under section 26 of the City of Bombay Improvement Trust Transfer Act, 1925, at the commencement of the City of Bombay Municipal (Amendment) Act, 1933, shall so long as he continues to be the Deputy Municipal Commissioner (Improvements) under the provisions of sub-section (4) of section 56A, receive a monthly salary of rupees two thousand and five hundred. Bom. XVI of 1925.

Provided further that if the said person be appointed Deputy Municipal Commissioner (Improvements) under

sub-section (1) of section 56A, he shall receive from the commencement of the City of Bombay Municipal (Amendment) Act, 1933, such monthly salary not exceeding rupees two thousand as the Corporation shall, from time to time, determine."

Amendment of section 59 of Bom. III of 1888.

9. In sub-section (*3*) of section 59 of the said Act for the word and figures "and 58" the word, figures and letter "58 and 58A" shall be substituted.

Amendment of section 61 of Bom. III of 1888.

10. After clause (*r*) of section 61 of the said Act, the following shall be inserted, namely :—

"(*s*) the obligations imposed by the City of Bombay Municipal (Amendment) Act, 1933, upon the Corporation arising out of the transfer to the Corporation of the powers, duties, assets and liabilities of the Board of Trustees for the Improvement of the City of Bombay constituted under the City of Bombay Improvement Trust Transfer Act, 1925;

(*t*) the improvement of the City."

Bom. XVI of 1925.

Amendment of section 64 of Bom. III of 1888.

11. In section 64 of the said Act :—

(*a*) in sub-section (*1*) for the word and figures "or 41", the word, figures and letter "41 or 49A" shall be substituted;

(*b*) in sub-section (*3*), after the words "or the Standing Committee" the words "or the Improvements Committee" shall be inserted.

Amendment of section 69 of Bom. III of 1888.

12. In section 69 of the said Act :—

(*a*) in clause (*c*) for the words "an agreement for the acquisition of immoveable property" the words "a

contract relating to the acquisition of immoveable property or any interest therein, or any right thereto" shall be substituted;

(*b*) in clause (*a*) after the word "contract" the words "other than a contract for the acquisition of immoveable property or any interest therein or any right thereto" shall be inserted;

(*c*) in clause (*e*) for the words "shall apply, respectively," the words "shall, as far as may be, apply" shall be substituted.

Amendment of section 70 of Bom. III of 1888.

13. For sub-section (*2*) of section 70 of the said Act, the following shall be substituted, namely:—

"(*z*) The common seal of the Corporation which shall remain in the custody of the Municipal Secretary, shall be affixed in the presence of two members of the Standing Committee, to every contract or other instrument other than a contract relating to the acquisition of immoveable property or interest therein or a right thereto and such contract or instrument shall be signed by the said two members of the Standing Committee in token that the same was sealed in their presence. The signatures of the said members shall be distinct from the signatures of any witnesses to the execution of any such contract or instrument."

Amendment of section 71 of Bom. III of 1888.

14. In section 71 of the said Act:—

(*i*) after the word "contract" the words "of the nature specified in sub-section (*2*) of the last preceding section" shall be inserted; and

(*ii*) for the words "last preceding" the word "said" shall be substituted.

Amendment of section 77 of Bom. III of 1888.

15. In sub-section (*2*) of section 77 of the said Act,

(*i*) after the words "Standing Committee" where they occur for the first and second time, the words "and the Improvements Committee" shall be inserted; and

(*ii*) after sub-clause (*ii*) of clause (*b*) the following shall be inserted, namely :—

"(*iii*) the Improvements Committee and any sub-committee thereof."

Amendment of section 83 of Bom. III of 1888.

16. In clauses (*b*) and (*c*) of sub-section (*2*) of section 83 of the said Act, after the figures "55" the figures and letter "56A" shall be inserted.

Amendment of section 90 of Bom. III of 1888.

17. In section 90 of the said act :—

(*a*) in sub-section (*1*) for the words "Standing Committee", the words "Improvements Committee" shall be substituted;

(*b*) in sub-section (*2*) for the words "Standing Committee", the words "Improvements Committee" shall be substituted;

(*c*) after sub-section (*2*), the following sub-section shall be inserted, namely :—

"(*2A*) Subject to the provisions of this Act, it shall be lawful for the Commissioner on behalf of the Corporation to agree with the owner of any land or of any interest in land needed by the Corporation for the purposes of any scheme under chapter XII-A or with the owner of any right which may have been created by legislative enactment over any street forming part of the land so needed, for the purchase

of such land or of any interest in such land or for compensating the owner of any such right in respect of any deprivation thereof or interference therewith ;" and

(*d*) for sub-section (*3*) the following shall be substituted, namely :—

"(*3*) No contract for the acquisition of any immoveable property or of any interest therein or any right thereto or the payment of any compensation under sub-section (*1*) or (*2*) or (*2A*) shall be valid, if the price or compensation to be paid for such property or interest or right exceeds five thousand rupees unless and until such contract has been approved by the Improvements Committee and by the Corporation if the price or compensation exceeds ten thousand rupees."

(*e*) after sub-section (*3*), the following sub-sections shall be inserted, namely :—

"(*4*) Every contract or other instrument relating to the acquisition of immoveable property or any interest therein or any right thereto shall be executed by the Commissioner, shall have the common seal of the Corporation affixed thereto in the presence of two members of the Improvements Committee and shall also have the signatures of the said two members, in the manner prescribed in section 70.

(*5*) No contract for the acquisition of immoveable property or any interest therein or any right thereto not executed as in sub-section (*4*) provided shall be binding on the Corporation.

(*6*) The foregoing provisions of this section which apply to an original contract relating to the acquisition of immoveable property, or any interest therein, or any right thereto, shall be deemed to apply also to any variation or discharge of such contract."

Amendment of section 91 of Bom. III of 1888.

18. In sub-section (*1*) of section 91 of the said Act :—

(*a*) for the words "Standing Committee" the words "Improvements Committee" shall be substituted;

(*b*) after the word "Committee" the words "and subject to the other provisions of this Act" shall be inserted.

New sections 91A, 91B and 91C of Bom. III of 1888. Transfer of property to the Corporation.

19. After section 91 of the said Act, the following sections shall be inserted, namely :—

"91A. (*1*) From the date on which the City of Bombay Municipal (Amendment) Act, 1933, comes into operation there shall vest or re-vest in the Corporation, as the case may be, subject to all the charges and liabilities affecting the same, to be held by the Corporation for the purposes of this Act, subject to any restrictions and conditions contained in the City of Bombay Municipal (Amendment) Act, 1933, all the immoveable and other property and all other interests and rights of the Board of Trustees for the Improvement of the City of Bombay constituted under the City of Bombay Improvement Trust Transfer Act, 1925, including all the estate, right, title and interest of the said Board in and to the lands specified in Schedule W and Schedule X and in the reclaimed lands specified in Schedule Y and shown on the deposited plans.

Bom. XVI of 1925.

(*2*) (*a*) In respect of the lands referred to as the Flats specified in Schedule W as plots 1 (*b*), 1 (*c*) and 1 (*d*), the Corporation may, subject to the power of resumption reserved by sub-section (*8*) at any time lay out the whole or any part or parts of these plots as recreation grounds or parks for the free use of the public, or appropriate the whole or any part of the said plots to building purposes.

(*b*) The lands specified in Schedule W as plot 1 (*j*) shall, subject as aforesaid, be permanently appropriated as an open space, but such appropriation shall not preclude the Corporation from letting the said lands from time to time on lease for a term not exceeding one year, or with the previous sanction of Government and on such conditions as may be approved by Government for a term not exceeding 30 years, for the purpose of a race-course or for any purpose of public recreation or amusement.

(*c*) All the lands specified in Schedule W as plots 1 (*a*), 1 (*e*) to 1(*i*) both inclusive and 1 (*k*) and the lands specified in Schedule Y shall, subject to the provisions of sub-section (*1*), vest in the Corporation.

(*3*) The lands respectively referred to in Schedule ZZ as plot 1 (*d-1*) part, 1 (*b*) part, Cadastral Survey No. 3/383 the Body Guard Lines Plot, Plot No. 3 the Cooperage Plot and Plot No. 4 (*b*) the Marine Lines Maidan shall vest absolutely in His Majesty, provided that Plot No. 3 the Cooperage Plot and Plot No. 4 (*b*) the Marine Lines Maidan shall be maintained in perpetuity as open spaces, provided further that the aforesaid Plot Nos. 3 and 4 (*b*) or any part thereof may at any time be occupied by or with the previous permission of Government for any temporary purpose.

(*4*) All the estate, right, title and interest of the said Board to and in any land specified in Schedule W vested or re-vested in the Corporation under this section, with the exception of the lands specified in clause (*c*) of sub-section (*2*) and in sub-section (*3*) shall, subject to the provisions of this section, remain so vested or re-vested until such time as the whole of the lands so specified except those appropriated as open spaces, shall have been let on a building lease either by the said Board or by the Corporation or as to any part

thereof until such time as such part shall have been so let, and thereafter, as to the whole, except as aforesaid, or any such part, for a further period, which shall not as regards the whole or any such part exceed ninety-nine years from the date on which the whole or any such part shall have been first let.

(*5*) All lands specified in Schedule X shall, subject to the provisions of sub-section (*1*), vest in the Corporation.

(*6*) It shall be lawful for the Corporation from time to time, in the case of land specified in Schedule W, with the sanction of Government, to take out of said Schedule W any land or to take any land out of Schedule X in exchange for any freehold land, the property of the Corporation, which they wish to bring on to the said Schedules. An exchange made under this sub-section shall operate to transfer the land taken out of the Schedules to the Corporation free from all conditions of resumption and re-vesting created by this Act and free from encumbrances and to vest the land brought on to the schedules in the Corporation as if it were part of the property originally entered in Schedule W or X as the case may be.

(*7*) Without prejudice, and in addition to the powers conferred on the Corporation by section 87, it shall be lawful for the Corporation to take over and hold any other lands within the City of which they may be put in possession by the Secretary of State for India in Council, to the intent that such lands shall vest in the Corporation in the same manner and subject to the same conditions as if such lands, if taken over from the Secretary of State for India in Council, were included in Schedule W, and such vesting shall in every such case take effect, upon delivery to the Corporation of possession of the land.

(*8*) Any land, other than land specified in clause (*c*) of sub-section (*2*) and other than land leased or agreed to be leased by the said Board by the Corporation specified in Schedule W, which shall be required by Government for a public purpose, may at any time, after giving six months' notice to the Corporation, be resumed by Government.

(*9*) Government may, by notification in the *Bombay Government Gazette*, from time to time add to or amend the entries in Schedule W and, with the concurrence of the Corporation, the entries in Schedule X so far as may be necessary in consequence of any exchange, resumption, acquisition for other transfer of land, and, with the like concurrence in the case of lands specified in Schedule X, correct mistakes in the said schedules or in the deposited plans, and upon such notification the said schedules or plans shall be read subject to such addition, amendment or correction. Such notification shall in the case of any alteration of Schedule W or Schedule X include a notification of the whole schedule or schedules as so altered.

Vesting of property in His Majesty on the termination of leases granted by the Corporation.

91B. Upon the determination of the further period mentioned in sub-section (*4*) of section 91A the property vested or re-vested in the Corporation, under the said section in any part of the lands specified in Schedule W except those appropriated as open spaces, and the plots 1 (*a*) and 1 (*e*) to 1 (*i*) both inclusive and 1 (*k*) of the Flats shall be forthwith divested and such part of such lands shall vest or re-vest absolutely in His Majesty.

Power to apply certain lands vested in the Corporation to the purpose of any scheme under this Act.

91C. The Corporation shall have power subject to the provisions of section 91A, to apply any of the lands specified in Schedules W, X and Y for the purposes of any scheme under this Act

including any of the schemes referred to sub-section (2) of section 354B."

Amendment of section 92 of Bom. III of 1888.

20. In section 92 of the said Act—

(a) for the proviso to clause (a) the following shall be substituted, namely :—

"provided that every lease of immoveable property granted by the Commissioner (other than a contract for a monthly tenancy) the annual rent whereof at a rack rent exceeds three thousand rupees shall be reported by him, within fifteen days after the same has been granted, to the Improvements Committee";

(b) for clause (b) the following shall be substituted, namely :—

"(b) with the sanction of the Standing Committee, the Commissioner may dispose of, by sale or otherwise, any moveable property belonging to the Corporation, of which the value does not exceed five thousand rupees. He may, with the sanction of the Improvements Committee, grant a lease of any immoveable property belonging to the Corporation, including any such right as aforesaid for any period exceeding one year or sell or grant a lease in perpetuity of any immoveable property belonging to the Corporation, the value or premium whereof does not exceed fifty thousand rupees or the annual rental whereof does not exceed three thousand rupees."

(c) after clause (c) the following new clause shall be inserted, namely :—

"(cc) The consideration for which any immoveable property or any right belonging to the Corporation may be sold, leased or otherwise transferred shall not be less than the market value of such premium, rent or other consideration."

(*d*) in clause (*d*) after the words "Committee or," the words "of the Improvements Committee or" shall be inserted.

Amendment of section 105 of Bom. III of 1888.

21. In sub-section (*1*) of section 105 of the said Act after the words "municipal security holders" the following shall be inserted, namely :—

"and holders of securities issued by the Board of Trustees for the Improvement of the City of Bombay under and in accordance with the City of Bombay Improvement Act, 1898, and the City of Bombay Improvement Trust Transfer Act, 1925."

Bom. IV of 1898.

Bom. XVI of 1925.

Amendment of section 106 of Bom. III of 1888.

22. For section 106 of the said Act, the following shall be substituted, namely :—

"106. The Corporation may from time to time borrow or re-borrow and take up at interest from the Secretary of State for India in Council, or with the sanction of the Governor in Council, from any other person, any sum necessary for the purpose of—

Power to borrow from Government or other persons.

(*a*) defraying any costs, charges or expenses incurred or to be incurred by them in the execution of this Act,

(*b*) discharging any loan contracted under this Act or any other loan or debt for the repayment of which they are liable,

(*c*) making good any deficit in budget-estimate 'B' framed under section 126

(*d*) generally, carrying out the purposes of this Act including the advance of loans under section 354W.

Provided that no loan exceeding in amount twenty-five lakhs of rupees shall be contracted (save in the case of a

loan granted by the Local Government) by the Corporation unless the terms, including the date of flotation, of such loan have been approved by the Governor-General of India in Council."

Amendment of section 109 of Bom. III of 1888.

23. In section 109 of the said Act—

(*a*) for clause (*b*), the following clauses shall be substituted, namely :—

"(*b*) The sum borrowed for any purpose other than for discharging any of the obligations arising out of the transfer to the Corporation of the powers, duties, assets and liabilities of the Board of Trustees for the Improvement of the City of Bombay constituted under the City of Bombay Improvement Trust Transfer Act, 1925, including the balances of all the outstanding loans and debts borrowed for any of the said purposes

Bom. XVI of 1925.

shall not exceed in the whole double the rateable value of the premises in the City assessable, as hereinafter provided, to property taxes ; and

(*c*) The sum borrowed for the purpose of discharging any of the obligations arising out of the transfer to the Corporation of the powers, duties, assets and liabilities of the Board of Trustees for the Improvement of the City of Bombay constituted under the City of Bombay Improvement Trust Transfer Act, 1925, including the balances of all outstanding loans and debts borrowed by the Board of Trustees for the Improvement of the City of Bombay under the City of Bombay Improvement Act, 1898 and the City of Bombay Improvement Trust Transfer Act, 1925, and by the Corporation for the purpose of discharging

Bom. XVI of 1925.

Bom. IV of 1898.

Bom. XVI of 1925.

the aforesaid obligations, shall not at any time exceed in the whole double the rateable value of the premises in the City assessable as hereinafter provided, to property taxes; and

(*d*) The sum borrowed under clause (*c*) for the purpose of making good any deficit in budget estimate B framed under section 126 shall not in any year exceed twenty lakhs of rupees."

(*b*) Clauses (*c*) to (*g*) shall be relettered as clauses (*e*) to (*i*) respectively.

(*c*) for clause (*f*) so relettered the following shall be substituted, namely :—

"(*f*) the Corporation shall either pay off the money so borrowed, within the period sanctioned, by equal annual instalments of principal, or of principal and interest, or in such other manner as may be approved by Government, or they shall in very year set apart as a sinking fund and accumulate in the way of compound interest, by investing the same in the purchase of public securities, such sum as will, with accumulations in the way of compound interest, be sufficient, after payment of all expenses, to pay off the moneys so borrowed within the period sanctioned or within such other period as may be approved by Government;"

(*d*) after clause (*h*) so relettered the following proviso shall be inserted, namely :—

"provided that during the year in which the loan for repayment of which a sinking fund has been established is due for repayment, the sum to be set apart as portion of the principal of such sinking fund and the sum received on account of interest on moneys forming part of such sinking fund may be retained by the Corporation in such form as they think fit."

New sections 109A, 109B and 109C of Bom. III of 1888.

24. After section 109 of the said Act, the following sections shall be inserted, namely :—

"109A. (*1*) In respect of any sinking funds which by this Act the Corporation are directed or empowered to invest in public securities, and in respect of any surplus moneys which by this Act the Commissioner on behalf of the Corporation is empowered to invest in like securities, it shall be lawful for the Corporation to reserve and set apart for the purpose of any such investment any debentures issued or to be issued on account of any loan for which the sanction of the Local Government or of the Governor-General in Council shall have been duly obtained under section 106, or issued by the Board of Trustees for the Improvement of the City of Bombay under section 52 of the City of Bombay Improvement Act, 1898, or section 68 of the City of Bombay Improvement Trust Transfer Act, 1925, provided that the intention so to reserve and set apart such debentures shall have been notified as a condition of the issue of the loan ;

Investment of sinking fund and surplus moneys in debentures issued by the Corporation.

Bom. IV of 1898.

Bom. XVI of 1925.

(*2*) the issue of any such debentures direct to and in the name of 'The Municipal Commissioner for the City of Bombay' on behalf of the Corporation shall not operate to extinguish or cancel such debentures, but every debenture so issued shall be valid in all respects as if issued to and in the name of any other person ;

(*3*) the purchase by, or the transfer, assignment or endorsement to, the Corporation or to the Municipal Commissioner on behalf of the Corporation of any debenture issued by the Corporation or by the Board of

Trustees for the Improvement of the City of Bombay shall not operate to extinguish or cancel any such debenture, but the same shall be valid and negotiable in the same manner and to the same extent as if held by, or transferred, assigned or endorsed to any other person.

Corporation may take advances from banks and grant mortgages.

109B. (*1*) Notwithstanding anything contained in sections 106, 108 and 109, the Corporation may, with the previous sanction of Government and for the purpose of discharging any liability arising out of the transfer to the Corporation of the powers, duties, assets and liabilities of the Board of Trustees constituted under the City of Bombay Improvement Trust Transfer Act, 1925, take from any bank or banks credit on a cash account to be opened and kept with such bank or banks in the name of the Corporation, for a sum not exceeding in the aggregate fifteen lakhs of rupees on the security of all or any of the taxes which the Corporation are authorised to levy for the purposes of this Act.

Bom. XVI of 1925.

(*2*) The Corporation may also with the previous sanction of Government and subject to the provisions of this Act, mortgage any lands or property vesting or revesting or belonging to the Corporation in security of the payment of the amount of such credit or of the sums advanced from time to time on such cash account with interest thereon.

Corporation to have power to borrow from banks against Government promissory notes or securities.

109C. Notwithstanding anything contained in sections 106 and 109, the Corporation may also borrow, for the purpose of this Act, from any bank or banks in which under section 122 the surplus moneys at the credit of the municipal fund may be deposited, against any Government promissory notes or other securities in which

for the time being the cash balance of the Corporation may be invested."

Amendment of section 110 of Bom. III of 1888.

25. In section 110 of the said Act—

(*a*) in sub-section (*1*) after the word "chapter" the words and figures "other than a mortgage made under section 109B" shall be inserted; and

(*b*) in sub-section (*2*) after the word "Act" the words "other than a debenture issued under section 110D" shall be inserted.

Amendment of sections 110A, 110B and 110C of Bom. III of 1888.

26. In sub-section (*1*) of section 110A, sub-section (*1*) of section 110B and in section 110C of the said Act, after the word "City" the words and figures "or under the City of Bombay Improvement Act, 1898, or the City of Bombay Improvement Trust Transfer Act, 1925," shall be inserted.

Bom. IV of 1898.

Bom. XVI of 1925.

New sections 110D, 110DD, 110E, 110F, 110G and 110H of Bom. III of 1888.

27. After section 110C of the said Act, the following sections shall be inserted, namely:—

Debentures issued under Bombay Acts IV of 1898 and XVI of 1925.

"110D. (*1*) The holder of any debenture issued by the Board of Trustees for the Improvement of the City of Bombay under the City of Bombay Improvement Act, 1898, or the City of Bombay Improvement Trust Transfer Act, 1925, may obtain in exchange therefor, upon such terms as the Corporation shall from time to time determine, a debenture in any other form which the Corporation may, with the previous consent of Government, prescribe.

Bom. IV of 1898.

Bom. XVI of 1925.

(2) Every debenture issued under the City of Bombay Improvement Act, 1898, or the City of Bombay Improvement Trust Transfer Act, 1925, or by the Corporation under sub-section (1) shall be transferable— Bom. IV of 1898. Bom. XVI of 1925.

(a) if it is in the form of Schedule AA by endorsement, and

(b) if it is in any other form, in such manner as is therein expressed.

(3) The rights to sue in respect of the moneys secured by debentures issued under this section or the City of Bombay Improvement Act, 1898, or the City of Bombay Improvement Trust Transfer Act, 1925, shall vest in the respective holders thereof for the time being without any preference by reason of some of such debentures being prior in date to others. Bom. IV of 1898. Bom. XVI of 1925.

110DD. (1) The Standing Committee at its discretion may, at the time of issue or at any time during the currency of any debentures or securities issued under the provisions of this Act or any previous Act relating to the Municipal government of the City or under the City of Bombay Improvement Act, 1898, or the City of Bombay Improvement Trust Transfer Act, 1925, upon the application of the subscriber for, or holder of any such debentures or securities, issue to him, in lieu of the debentures or securities deliverable to or held by him, a certificate in the nature of a stock certificate in respect of the loan to which such debentures or securities relate, which shall be in such form as the Corporation with the previous consent of Government, shall from time to time determine, and all the provisions as to interest or dividend on such debentures or securities shall, so far as may be, apply to the interest on the stock certificate.

Issue of stock certificates.

Bom. IV of 1898. Bom. XVI of 1925.

(2) The Standing Committee shall upon the application of the holder of a stock certificate convert the same into debentures or securities of the loan to which it relates.

Provisions of loans, etc., raised by the Board of Trustees under Bombay Act IV of 1898 and Bombay Act XVI of 1925.

110E. In the case of all loans raised, sinking funds established, debentures or other securities issued and debts incurred by the Board of Trustees for the Improvement of the City of Bombay under and in accordance, with the City of Bombay Improvement Act, 1898, and the City of Bombay Improvement Trust Transfer Act, 1925, before the City of Bombay Municipal (Amendment) Act, 1933, comes into operation the following provisions shall apply :—

Bom. IV of 1898.

Bom. XVI of 1925.

(*i*) if when such loans were raised the loans were made repayable from sinking funds, the Corporation shall establish sinking funds for the repayment of such loans and shall pay into such funds such sums, on such dates as may have been fixed when the loans were raised ;

(*ii*) if when any such loans were raised the loans were made repayable by equal payments of principal and interest or by equal payments of principal the Corporation shall make such payments on such dates and in such manner as may have been fixed when the loans were raised ;

(*iii*) the provisions of clause (*f*) of section 109 shall, so far as may be, apply to such loans and the said clause shall be construed as if (*a*) for the word 'annual' the words 'yearly or half-yearly' were substituted and (*b*) the words 'or in such other manner as may be approved by Government' were omitted ;

(*iv*) the provisions of clause (*g*) of section 109 shall, so far as may be, apply to such sinking funds and the said clause shall be construed as if for the words 'under this

section' the words 'under the City of Bombay Improvement Act, 1898, or the City of Bombay Improvement Trust Transfer Act, 1925,' were substituted; Bom. IV of 1898. Bom. XVI of 1925.

(*v*) the provisions of clause (*h*) of section 109 (except the proviso) shall, so far as may be, apply and the said clause shall be construed as if after the word 'year' the words 'or every half year' were inserted and as if the words 'second half-yearly' were omitted;

(*vi*) the provisions of section 109A shall, so far as may be, apply to such sinking funds;

(*vii*) the provisions of section 110F shall apply to such loans;

(*viii*) the provisions of section 106 shall, so far as may be, apply, and the said section shall be construed as if for the words 'contracted under this Act' the words 'or debt contracted or incurred under this Act or by the Board of Trustees for the Improvement of the City of Bombay under the City of Bombay Improvement Act, 1898, or the City of Bombay Improvement Trust Transfer Act, 1925,' were substituted; Bom. IV of 1898. Bom. XV of 1925.

(*ix*) all securities and cash held by the Board of Trustees for the Improvement of the City of Bombay in existence when the City of Bombay Municipal (Amendment) Act, 1933, comes into operation in sinking funds established for the repayment of such loans shall be transferred to the Corporation and shall be held by them as part of the sinking funds established under clause (*i*);

(*x*) when money is borrowed for the purpose of discharging any loan contracted by the said Board of Trustees for the Improvement of the City of Bombay the time for repayment of the loan so borrowed shall not extend

beyond the unexpired portion of the period for which the original loan was sanctioned; and

(*xi*) for the removal of doubts, it is hereby declared that—

(*a*) All loans contracted, sinking funds established and debts incurred by the Board of Trustees for the Improvement of the City of Bombay under the City of Bombay Improvement Act, 1898, and the City of Bombay Improvement Trust Transfer Act, 1925, shall continue to be subject as regards repayment, rates of interest, period, guarantee for fulfilment of liabilities and in all other respects to the same terms and conditions as were fixed by the said Board when such loans, funds and debts were contracted, established or incurred or as were provided by or under the aforesaid Acts;

Bom. IV of 1898.

Bom. XVI of 1925.

(*b*) All loans contracted, sinking funds established and debts incurred by the Corporation under the provisions of this Act or any Act relating to the municipal government of the City of Bombay prior to the date on which the City of Bombay Municipal (Amendment) Act, 1933, comes into force, shall continue to be subject, as regards repayment, rate of interest, period, guarantee for fulfilment of liabilities and in all other respects, to the same terms and conditions as were fixed when such loans, funds and debts were contracted, established or incurred or as were provided by or under the provisions of the aforesaid Acts prior to the date mentioned above:

Provided that nothing contained in clauses (*a*) and (*b*) above shall affect any express provision of the City of Bombay Municipal (Amendment) Act, 1933, relating to such loans, funds and debts.

Procedure in event of default by Corporation in payment of interest or investment of sinking fund charges.

110F. (*1*) If the Corporation fail—

(*a*) to pay any interest due in respect of any loan taken by the Board of Trustees for the Improvement of the City of Bombay under the City of Bombay Improvement Act, 1898, or the City of Bombay Improvement Trust Transfer Act, 1925, for the repayment of which the Corporation have become liable under section 110E;

Bom. IV of 1898.

Bom. XVI of 1925.

(*b*) to pay or to set aside and invest any sum required by section 110E or which the said Board were required to pay or set aside and invest under the provisions of the said Acts;

the Accountant General of Bombay shall make such payment or shall set aside and invest such sum as ought to have been set aside and invested under the said provision or Acts; and the Commissioner shall forthwith pay from the Municipal Fund to the said Accountant General a sum equivalent to the sum so paid or invested by him; and if the amount is not so paid Government may attach the rents and other income of the Corporation sufficient to pay the said sum and thereupon the provisions of sub-sections (*2*) and (*3*) of section 99 shall with all necessary modifications be deemed to apply.

(*2*) The Corporation may, with the previous sanction of Government, levy any such special tax as may be sufficient to repay to the Municipal Fund the amount paid by the Commissioner as aforesaid. Such special tax shall be in addition to any of the taxes from time to time leviable under this Act:

Provided that when such special tax is other than a tax specified in Schedule II to the Scheduled Taxes Rules made under clause (*a*) of sub-section (*3*) of section 80A of the Government of India Act, such tax shall not be levied without the previous sanction of the Governor-General in Council.

5 & 6 Geo. V, c. 61.

Procedure in case of default by Commissioner.

110G. If the Commissioner fails to make the payment as required by section 110F Government may attach the Municipal Fund or any tax leviable by the Corporation or any special tax leviable under sub-section (*2*) of section 110F, sufficient so far as can be estimated to cover such payment and thereupon the provisions of sub-sections (*2*) and (*3*) of section 99 shall with all modifications be deemed to apply :

Provided that before Government attaches a special tax leviable under sub-section (*2*) of section 110F, Government may require the Corporation to levy the said tax.

Certain sums to be charge upon the property of the Corporation.

110H. All moneys payable under sub-section (*1*) of section 110F and levied under section 110G shall constitute a charge upon the property of the Corporation."

Amendment of Section 111 of Bom. III of 1888.

28. In section 111 of the said Act after the words "belonging to the Corporation" the words "including loans advanced under section 354W" shall be inserted.

Amendment of section 118 of Bom. III of 1888.

29. In section 118 of the said Act—

(*i*) after clause (*e*) the following shall be inserted, namely :—

"(*ee*) the loans advanced in accordance with the provisions of section 354W ;"

(*ii*) in sub-clause (*1*) of clause (*f*) after the word "under" the words, figures and brackets "sub-section (*1*) of section 110F" shall be inserted.

New section 123A of Bom. III of 1888.

30. After section 123 of the said Act the following section shall be inserted, namely :—

"123A. (*1*) There shall be kept by the Commissioner under a separate heading in the municipal accounts, accounts of all the property vested or vesting in the Corporation and of all receipts and expenditure of the Corporation on account of the transfer to them of the powers, duties, assets and liabilities of the Board of Trustees constituted under the City of Bombay Improvement Trust Transfer Act, 1925.

Separate pro forma accounts to be kept by the Commissioner.

Bom. XVI of 1925.

(*2*) Such accounts shall be maintained, so far as may be, in such manner and in such forms as the Standing Committee shall from time to time prescribe in accordance with the rules contained in Schedule BB.

(*3*) The Commissioner shall publish such accounts in the *Bombay Government Gazette* every half year."

Amendment of section 125 of Bom. III of 1888.

31. For section 125 of the said Act the following shall be substituted, namely :—

"125. The Commissioner shall, on or before each tenth day of November, have prepared and lay before the Standing Committee in such form as the said Committee shall from time to time approve :—

Estimates of expenditure and income to be prepared annually by the Commissioner.

(*1*) (*a*) an estimate of the expenditure which must or should, in his opinion, be incurred by the Corporation in the next ensuing official year, other than expenditure to

be incurred by reason of the obligations imposed upon the Corporation arising out of the transfer to the Corporation of the powers, duties, assets and liabilities of the Board of Trustees for the Improvement of the City of Bombay constituted under the City of Bombay Improvement Trust Transfer Act, 1925 ;

Bom. XVI of 1925.

(*b*) an estimate of all balances, if any, (other than balances shown in the account maintained under section 123A) which will be available for reappropriation or expenditure at the commencement of the next ensuing official year ;

(*c*) an estimate of the Corporation's receipts and income for the next ensuing official year other than from taxation and other than that referred to in clause (*c*) of sub-section (*2*) ;

(*d*) a statement of proposals as to the taxation which it will, in his opinion, be necessary or expedient to impose under the provisions of this Act in the next ensuing official year ;

(*2*) (*a*) an estimate of the expenditure which must or should, in his opinion, be incurred by the Corporation in the next ensuing official year by reason of the obligations imposed upon the Corporation arising out of the transfer to the Corporation of the powers, duties, assets and liabilities of the Board of Trustees for the Improvement of the City of Bombay constituted under the City of Bombay Improvement Trust Transfer Act, 1925 ;

Bom. XVI of 1925.

(*b*) an estimate of all balances, if any, in the account maintained under section 123A, which will be available for reappropriation or expenditure at the commencement of the next ensuing official year ;

(*c*) an estimate of the Corporation's receipts and income for the next ensuing official year—

(*i*) arising from sales, leases and other dispositions of immovable property vesting in the Corporation by reason of the enactment of the City of Bombay Municipal (Amendment) Act, 1933, and

(*ii*) being payments of interest on and repayments in whole or part of the capital of loans granted by the Corporation and secured on the aforesaid immovable property ;

(*d*) an estimate of three times the amount of the net estimated realisations of the Corporation in the then current financial year under the head of general tax (including arrears and payments in advance) divided by the rate fixed for general tax for the then current financial year ;

(*e*) an estimate of all sums received from taxation other than taxation under this Act and appropriated by the Corporation to meet expenditure to be incurred by reason of the obligations imposed upon the Corporation arising out of the transfer to the Corporation of the powers, duties, assets and liabilities of the said Board of Trustees."

Amendment of section 126 of Bom. III of 1888.

32. For section 126 of the said Act the following shall be substituted, namely :—

"126. (*1*) The Standing Committee shall, on or as soon as may be after each tenth day of November, consider the estimates and proposals of the Commissioner after having obtained from the Commissioner such further detailed information, if any, as they shall think fit to require, and having regard to all the requirements of this Act, shall frame therefrom,

Budget estimates to be prepared by the Standing Committee.

subject to such modifications and additions therein or thereto as they shall think fit, two budget estimates as follows :—

(*a*) 'Budget estimate 'A''—of the income and expenditure other than income and expenditure to be received or incurred by reason of the transfer to the Corporation of the powers, duties, assets and liabilities of the Board of Trustees for the Improvement of the City of Bombay constituted under the City of Bombay Improvement Trust Transfer Act, 1925, and

Bom. XVI of 1925.

(*b*) 'Budget estimate 'B''—of the income and expenditure of the Corporation for the next official year to be received and incurred by reason of the transfer to the Corporation of the said powers, duties, assets and liabilities.

(*2*) In budget estimate 'A' the Standing Committee shall—

(*a*) propose with reference to the provisions of Chapter VIII, the levy of municipal taxes at such rates and, in the case of town duties, on such articles, as they shall think fit ;

(*b*) provide for the payment, as they fall due, of all sums and of all instalments of principal and interest for which the Corporation may be liable under this Act other than sums and instalments as aforesaid (*i*) for which the Corporation but for the enactment of the City of Bombay Municipal (Amendment) Act, 1933, would not have been liable and (*ii*) for which the Corporation may be liable in carrying out the duties imposed upon them by clause (*r*) of section 61 ;

(*c*) allow for an appropriation to budget estimate 'B' of the sum estimated, revised as they shall think proper, under clause (*d*) of sub-section (*2*) of section 125 ;

(*d*) allow for a cash balance at the end of the said year of not less than one lakh of rupees.

(*3*) In budget estimate 'B' the Standing Committee shall, if necessary, make proposals to meet any deficit in such budget estimate by borrowing:

Provided that the Standing Committee shall not make any proposal to borrow for that purpose a sum of more than twenty lakhs of rupees.

(*4*) The Commissioner shall cause the budget estimates as finally approved by the Standing Committee, to be printed and shall, not later than the fifteenth day of December, forward a printed copy thereof to the usual or last known local place of abode of each councillor."

Amendment of sections 127, 129, 130, 131, 132, 133 and 134 of Bom. III of 1888.

33. For the word "budget-estimate" occurring in sections 127, 129, 130, sub-section (*2*) of section 131, section 132, clauses (*b*) and (*d*) of sub-section (*1*) of section 133 and sub-section (*1*) of section 134 of the said Act, the word "budget-estimates" shall be substituted.

Amendment of section 291 of Bom. III of 1888.

34. In section 291 of the said Act after clause (*b*) the following shall be inserted, namely:—

"(*c*) declare any street made under an improvement scheme duly executed in pursuance of the provisions of the City of Bombay Improvement Act, 1898, or the City of Bombay Improvement Trust Transfer Act, 1925, to be a public street."

Bom. IV of 1898.
Bom. XVI of 1925.

New Chapter XXI-A of Bom. III of 1888.

35. After Chapter XII of the said Act the following shall be inserted as Chapter XII-A, namely:—

"CHAPTER XII-A.

CITY IMPROVEMENT.

Transfer of rights, etc., of the Board to the Corporation.

354B. (*1*) From the date on which the City of Bombay Municipal (Amendment) Act, 1933, comes into operation, all the property, interests, rights and liabilities of the Board of

Trustees for the Improvement of the City of Bombay constituted under the City of Bombay Improvement Trust Transfer Act, 1925, in respect of any Improvement scheme, Street scheme, Deferred street scheme, Poorer classes accommodation scheme, Reclamation scheme, or Police accommodation scheme, duly sanctioned or executed before the said date in accordance with the provisions of the City of Bombay Improvement Act, 1898, or the City of Bombay Improvement Trust Transfer Act, 1925, shall, save in so far as they are restricted or modified by the provisions of this chapter and of sections 91A, 91B and 91C, vest in the Corporation.

Bom. XVI of 1925.

Bom. IV of 1898.

Bom. XVI of 1925.

(2) It shall be the duty of the Corporation to execute, with due diligence, any Improvement scheme, Street scheme, Deferred street scheme, Poorer Classes Accommodation scheme, Reclamation scheme, or Police Accommodation scheme, duly sanctioned in accordance with the provisions of the City of Bombay Improvement Act, 1898, or the City of Bombay Improvement Trust Transfer Act, 1925, before the date on which the City of Bombay Municipal (Amendment) Act, 1933, comes into operation, which remains unexecuted on that date, until the completion of the scheme.

Bom. IV of 1898.

Bom. XVI of 1925.

Improvement Schemes.

Commissioner to make a draft improvement scheme.

354C. (1) If it shall appear to the Commissioner that within certain limits in any part of the City—

(a) any buildings used, or intended or likely to be used, for human habitation, are unfit for human habitation, or

(b) the narrowness, closeness and bad arrangement or the bad condition of the streets and buildings, or groups of buildings, within such limits, or the want of light, air,

ventilation or proper conveniences, or any other sanitary defects, or one or more of such causes, are dangerous or injurious to the health of the inhabitants either of the buildings within the area of such limits, or of the neighbouring buildings; and that the evils connected with such buildings and the sanitary defects in such area cannot be effectually remedied otherwise than by an improvement scheme for the rearrangement and reconstruction of the streets and buildings within such area or of some of such streets or buildings, or

(*c*) it is necessary to provide for the construction of buildings for the accommodation of the poorer and working classes,

the Commissioner may

(*i*) with the previous approval of the Corporation, which shall not be given unless the Corporation are satisfied of the sufficiency of their resources, draw up a notification stating that the Commissioner proposes to make an improvement scheme, the area to which the resolution relates and naming a place where a map of the area may be seen at all reasonable hours;

(*ii*) during three consecutive weeks publish simultaneously in the *Bombay Government Gazette* and in some one or more English and in some two or more vernacular newspapers circulating within the City a copy of the said notification;

(*iii*) proceed to make a draft improvement scheme and submit the scheme to the Improvements Committee for approval.

(*2*) In making an improvement scheme more than one area may be included in one improvement scheme.

(*3*) With the previous approval of the Corporation the Commissioner may, for the purpose of making an improvement scheme, cause surveys to be made in areas either inside or outside the limits of the area comprised in the scheme to be made.

Improvements Committee to consider and approve draft scheme submitted by Commissioner.

354D. On the submission by the Commissioner of a draft improvement scheme the Improvements Committee shall take scheme into their consideration and may approve the same with or without such alteration as it thinks fit.

Particulars to be provided for in an improvement scheme.

354E. (*1*) The improvement scheme, which may exclude any part of the area included in the notification referred to in such section 354C, or include any neighbouring land, if the Commissioner is of opinion that such exclusion or inclusion is expedient,—

(*i*) shall, within the limits of the area comprised in the scheme, provide for—

(*a*) the acquisition of any land which will, in the opinion of the Commissioner, be necessary for or affected by the execution of the scheme ;

(*b*) relaying out all or any land including the construction and reconstruction of buildings and the formation and alteration of streets ;

(*c*) the laying of such storm-water drains and sewers as may be required for the efficient draining and sewering of streets so formed or altered ;

(*d*) the lighting of streets so formed or altered ;

(*ii*) may, within the limits aforesaid, provide for—

(*a*) raising any land which the Commissioner may deem expedient to raise for the better drainage of the locality ;

(*b*) forming open spaces for the better ventilation of the area comprised in the scheme or any adjoining area ;

(*c*) the whole or any part of the sanitary arrangements required ; and

(*iii*) may, within and without the limits aforesaid, provide for the construction of buildings for the accommodation of the poorer and working classes including the whole or part of such classes to be displaced in the execution of the scheme. Such accommodation shall be deemed to include shops.

(*2*) The improvement scheme may exclude any part of the area included in the notification referred to in section 354C or include any neighbouring land, provided that the Commissioner is of opinion that such exclusion or inclusion is necessary for the proper carrying out of the scheme and provided further that previous notice of such inclusion shall have been given in the manner prescribed in section 354C (*1*) (*ii*).

Considera t i o n s which shall prevail in making the scheme.

354F. In making an improvement scheme for any area, regard shall be had to the conditions and nature of neighbouring parts of the City and of the City as a whole, and to the likelihood of improvement schemes being required for the neighbouring and other parts of the City.

Procedure on completion of the scheme.

354G. (*1*) Upon the approval of an improvement scheme by the Improvements Committee the Commissioner shall forthwith draw up a notification stating the fact of a scheme

having been made, the limits of the area comprised therein, and naming a place where particulars of the scheme, a map of the same and a statement of the land proposed to be acquired, may be seen at all reasonable hours, and shall—

(*a*) communicate a copy of such notification, particulars, map and statement to the Corporation ;

(*b*) publish the notification in the manner prescribed for the publication of a notification under section 354C.

(*2*) During the thirty days next following the first day on which such notification is published, the Commissioner shall serve a notice on every person whose name appears in the Commissioner's Assessment-book as primarily liable for the payment of the property taxes leviable under this Act on any land or building proposed to be acquired by the Commissioner in executing the scheme. The notice shall state that such land or building is proposed to be acquired by the Commissioner on behalf of the Corporation for the purpose of an improvement scheme and shall require an answer stating whether the person so served dissents or not in respect of the acquisition of such land or building, and if the person dissents requiring the reasons of such dissent to be given, within thirty days from the date of service of the notice.

Right of owner to demand acquisition on issue of notification when building operations are in progress.

354H. (*1*) If any land is included in any statement specifying the land proposed to be acquired made in accordance with any notification drawn up under section 354G, and if the owner of such land shall prove to the satisfaction of the Collec-

tor that at the date of the said notification building operations were in progress on such land or any part thereof and the buildings were structurally complete up to the first floor level, the Collector shall call upon the Commissioner to acquire such land.

(2) On receipt of such notice the Commissioner shall forthwith report the matter to the Improvements Committee and the said Committee shall then resolve whether in their opinion it is desirable to acquire the land set out in the notice or to withdraw from the proposal to acquire and shall communicate their resolution within two months to the Corporation who shall within one month after receipt thereof communicate to the Commissioner the decision of the Corporation in the matter, and thereupon the Commissioner shall forthwith in accordance with such decision either proceed to acquire such land or shall give written notice to the owner that the proposal to acquire has been withdrawn.

(3) If the Corporation decide to acquire the land the Commissioner shall give notice of such decision to the Collector and to the owner, and the Collector shall proceed as if a declaration had been made in respect of the land in question under section 6 of the Land Acquisition Act, 1894. I of 1894.

(4) If the Corporation withdraw from the proposal to acquire any land under sub-section (2) such land shall not be included in any statement of land proposed to be acquired, made in accordance with any notification drawn up under section 354G, until the expiry of two years from the date of the issue of written notice of withdrawal to the owner.

354I. (*1*) The owner of any land included in any statement of the land proposed to be acquired made in accordance with any notification drawn up under section 354G may at any time before the publication of a declaration under section 354M and after the expiry of one year from the date of such notification by written notice to the Commissioner setting out the particulars of such land call upon the Commissioner to acquire such land on behalf of the Corporation.

Right of owner to demand acquisition or withdrawal by the Corporation after the lapse of two years from the date of notification.

(*2*) On receipt of such notice the Commissioner shall forthwith report the matter to the Improvements Committee and the said Committee shall resolve whether in their opinion it is desirable to acquire the land set out in the notice and shall communicate their resolution within two months to the Corporation which shall within two months after the receipt thereof communicate to the Committee and Commissioner the decision of the Corporation in the matter and thereupon the Commissioner shall in accordance with such decision either decide to acquire such land or shall give notice to the owner that he has withdrawn the proposal to acquire.

(*3*) If the Corporation decide to acquire the land they shall instruct the Commissioner to give notice of such decision to the Collector and to the owner, and the Collector shall proceed as if a declaration had been made in respect of the land in question under section 6 of the Land Acquisition Act, 1894.

1 of 1894.

(*4*) If the Corporation withdraw from the proposal to acquire any land under sub-section (*2*) such land shall not be included in any statement of land proposed to be acquired made in accordance with any notification drawn up under

section 354G until the expiry of two years from the date of the issue of written notice of withdrawal to the owner.

The Improvements Committee after publication and service of notices to forward the scheme to the Corporation for approval.

354J. (*1*) Upon compliance with the foregoing provisions with respect to the publication of notices of the scheme the Commissioner shall submit to the Improvements Committee any representation or answer received under section 354G together with any suggestion he may wish to make in respect of the modification of the scheme.

(*2*) The Improvements Committee shall, after consideration of any such representation, answer or suggestion and after inserting in the scheme such modifications as they think fit, submit the scheme together with any representation, answer or suggestion to the Corporation for their approval.

Corporation to consider the improvement scheme and to approve or disapprove.

354K. The Corporation shall on receipt of a scheme from the Improvements Committee proceed to take such scheme into consideration together with any representation, answer or suggestion received or made under section 354G or 354J and shall, after having approved the scheme with or without modification or declined to approve the scheme, pass a resolution to that effect.

Commissioner to apply to Government for sanction to the scheme.

354L. (*1*) As soon as the Corporation have approved the scheme the Commissioner shall apply to Government on behalf of the Corporation for sanction to the scheme.

(*2*) If the Corporation do not approve the scheme they shall pass a resolution to that effect. The Commissioner shall thereupon forthwith draw up a notification

stating the fact that the Corporation have resolved not to proceed with the making of the said improvement scheme and shall publish the said notification in the manner prescribed in section 354C. Thereupon the notifications relating to the scheme published under sections 354C and 354G shall be deemed cancelled.

(*3*) The application to Government for sanction under sub-section (*1*) shall be accompanied by—

(*a*) a copy of the resolution passed by the Improvements Committee under section 354D ;

(*b*) a copy of a resolution passed by the Corporation under section 354C ;

(*c*) a description with full particulars of the scheme including the reasons for any modifications inserted therein ;

(*d*) complete plans and estimates of the cost of executing the scheme ;

(*e*) a statement specifying the land proposed to be acquired ;

(*f*) a list of the names of the persons, if any, who in answer to the notices mentioned in sub-section (*2*) of section 354G dissented, with the reasons (if any) stated by such persons for dissent, in respect of the acquisition of their land ;

(*g*) a schedule showing the rateable value, as entered in the Commissioner's Assessment-book, at the date of the publication of a notification relating to the land under section 354G, of all land specified in the statement under clause (*e*) and of any other land wholly or partially situated within 80 feet from either side of any street to be formed or altered in executing the scheme.

On receipt of sanction declaration to be published giving particulars of land to be acquired and on publication of such declaration the Commissioner to be authorised to execute the scheme.

354M. (*1*) (*a*) On receipt of the sanction of Government, the Commissioner shall forward to Government a declaration for notification under the signature of a Secretary to Government, stating the fact of such sanction and that the land proposed to be acquired by the Corporation for the purposes of the scheme is required for a public purpose.

(*b*) The declaration shall be published in the *Bombay Government Gazette* and shall state the limits within which the land proposed to be acquired is situate, the purpose for which it is needed, its approximate area, and the place where a plan of the land may be inspected.

(*c*) The said declaration shall be conclusive evidence that the land is needed for a public purpose, and the Commissioner shall, upon the publication of the said declaration, proceed to execute the scheme.

(*2*) (*a*) If at any time it appears to the Commissioner, the Improvements Committee or the Corporation, as the case may be, that an improvement can be made in any part of the scheme, the Corporation may alter the scheme for the purpose of making such improvement, and thereupon the Commissioner shall, subject to the provisions contained in the next two clauses of this sub-section, forthwith proceed to execute the scheme as altered.

(*b*) If the estimated net cost of executing the scheme as altered exceeds by ten per cent. the estimated net cost of executing the scheme as sanctioned, the Commissioner shall not, without the previous sanction of the Corporation and of Government, proceed to execute the scheme as altered.

(*c*) If the scheme as altered involves the acquisition, otherwise than by agreement, of any land other than that specified in the schedule accompanying the scheme under sub-section (*3*) of section 354L the provisions of sections 354G and 354L and of sub-section (*1*) shall apply to the part of the scheme so altered, in the same manner as if such altered part were the scheme.

If the Corporation fail to acquire the land owner may call upon Corporation to acquire it or to withdraw from the proposal.

354N. If, within three years from the declaration aforesaid, the Corporation fail to acquire the land or any part of the land proposed to be acquired for the purposes of any scheme notified after the City of Bombay Municipal (Amendment) Act, 1933, comes into operation, the owner of any land included in the declaration may, by written notice setting out the particulars of such land, call upon the Corporation to acquire such land or to withdraw from the proposal to acquire it. Thereafter the procedure prescribed in sub-sections (*2*) to (*4*) of section 354I shall be followed.

Police Accommodation Schemes.

The Corporation to have power to make a police accommodation scheme.

354O. (*1*) When a representation is made by Government to the Corporation that within any part of the City accommodation is required for housing any part of the Police of the City, the Corporation shall take such representation into their consideration, and, if satisfied of the sufficiency of their resources and that it is otherwise expedient, shall pass a resolution to the effect that a scheme for providing such accommodation ought to be made, and shall direct the Commissioner to forthwith proceed to make a police accommodation scheme.

(2) The police accommodation scheme may provide for constructing dwellings, police stations and accessory buildings for any or all classes of such Police, and for acquiring, raising and levelling any land required for the execution of the scheme.

Procedure on completion of a scheme.

354P. Upon completion of a police accommodation scheme, the provisions of sections 354G to 354M shall, with all necessary modifications, be applicable to the scheme in the same manner as if the scheme were an improvement scheme.

Vesting of land in Corporation.

354Q. (1) When such scheme is sanctioned by Government, in the case of land specified in Schedule W Government shall resume the land, and the said land shall thereupon vest in the Corporation.

(2) The Commissioner shall then proceed to execute the police accommodation scheme.

(3) Any building constructed under this section shall with the site be held by Government for police purposes for a term of sixty years from the date of the completion of the building, and Government shall, during the said period, pay yearly to the Corporation by way of rent a sum equal to the total of—

(*a*) the annual interest payable by the Corporation on all moneys, which they have spent on the scheme, and

(*b*) sinking fund charges so calculated that at the end of the said period the aggregate in the sinking fund shall amount to the total sum spent on the scheme.

Such total sum shall include—

(*i*) all moneys spent on interest and sinking fund charges up to the date of the commencement of the said period ;

(*ii*) if and so far as the land included in the scheme is not part of the land specified in Schedule W the cost of such land;

(*iii*) preliminary expenses and an allowance for management and supervision up to the date of the commencement of the said period.

(*4*) The cost of such land for the purposes of this section shall be deemed to be—

(*a*) if and so far as the land has been acquired for the scheme, the actual cost of its acquisition, and

(*b*) in all other cases the market value of the land at the date of the declaration of the scheme.

(*5*) Government shall maintain the building held by them under sub-section (*3*) in a state of proper repairs.

(*6*) On the expiration of the period of sixty years the building and the land forming the site thereof shall vest absolutely in His Majesty.

(7) The section shall apply to all police accommodation schemes sanctioned heretofore by Government in accordance with the provisions of the City of Bombay Improvement Act, 1898, or the City of Bombay Improvement Trust Transfer Act, 1925, as if such schemes had been sanctioned under the provisions of this Act.

Bom. IV of 1898.
Bom. XVI of 1925.

Minimum width of streets.

354R. (*1*) No new public street made under any scheme executed in pursuance of the provisions of this chapter shall, if made for carriage traffic, be less than 40 feet in width, nor if made for foot traffic only, be less than 20 feet in width:

Provided that where in an improvement scheme or otherwise provision is made for a garden or open space on one or both sides of a public street throughout its length on

such terms as to preclude such garden or space being built over, when the total width between the buildings on opposite sides of the street, including such garden or space, is not less than 40 feet, the street between such buildings need not, if made for carriage traffic, be more, and shall not be less, than 20 feet in width, and, if made for foot traffic only, need not be more, and shall not be less, than 10 feet in width.

(*2*) Service passages for sanitary purposes need not be more and usually shall not be less than 10 feet in width, and, in the case of such passages, the Commissioner may enter into an agreement with any person as to the supervision, repair, lighting and general management thereof, but such service passages shall not be considered to be streets for the purposes of this chapter.

Extent to which Land Acquisition Act shall apply to acquisition of land otherwise than by agreement.

354S. Notwithstanding anything contained in the Land Acquisition Act, 1894 (in this and the next succeeding sections referred to as "the Land Acquisition Act"), the Land Acquisition Act shall not, except to the extent set forth in Schedule CC, apply to the acquisition of land under this chapter, but the Land Acquisition Act shall, to the extent set forth in the said schedule, regulate and apply to the acquisition of land otherwise than by agreement, and shall for that purpose be deemed to form part of this chapter in the same manner as if enacted in the body hereof, subject to the provisions of this chapter and to the provisions following namely :— I of 1894.

(*1*) a reference to any section of the Land Acquisition Act shall be deemed to be a reference to such section, as modified by the provisions of this chapter, and the expression "land", as used in the Land Acquisition Act,

shall be deemed to have the meaning assigned to it by clause (*r*) of section 3 of this Act, and clause (*b*) of section 3 of the Land Acquisition Act shall, for the purposes of this chapter, be read as if the words and parentheses "(including the Crown)" were inserted after the words "includes all persons", and the words "or if he is the owner of any right created by legislative enactment over any street forming part of the land" were added after the words "affecting the land";

(*2*) in the construction of sub-section (*2*) of section 4 of the Land Acquisition Act and the provisions of this chapter the provisions of the said sub-section shall, for the purposes of this Act, be applicable immediately upon the passing of a resolution under sub-section (*1*) of section 354C or 354O, as the case may be, and the expression "Local Government" shall be deemed to include the Commissioner, and the words "such locality" shall be deemed to mean the locality referred to in any such resolution;

(*3*) in the construction of the sections of the Land Acquisition Act deemed to form part of this chapter and of the provisions of this chapter, the publication of a notification under sub-section (*1*) of section 354G or 354P shall be deemed to be the publication of a notification under sub-section (*1*) of section 4 of the Land Acquisition Act and the date of publication of the declaration under section 354M or 354P shall be deemed to be the date of the publication of the declaration under section 6 of the Land Acquisition Act:

Provided that where land is acquired under section 354H or sub-section (*3*) of section 354I the date of publication of the notification under sub-section (*1*) of

section 354G shall be deemed to be the date of publication of a declaration under section 6 of the Land Acquisition Act.

Provided further that the provisions of sub-section (*2*) of section 23 of the Land Acquisition Act shall apply when land, other than land forming part of any sanctioned scheme prepared in accordance with the provisions of section 354D, is acquired specifically under this Act for the purpose of a police accommodation scheme; and that in all other cases in which the land is notified for acquisition after the date on which the City of Bombay Municipal (Amendment) Act, 1933, comes into operation additional compensation in consideration of the compulsory nature of the acquisition shall be awarded on the scale set out in Schedule DD.

(*4*) in the construction of sub-section (*2*) of section 50 of the Land Acquisition Act and the provisions of this Chapter the Commissioner shall be deemed to be the local authority or company concerned.

Special provision as to compensation.

354T. In determining the amount of compensation to be awarded for any land or building acquired under this Act, the following further provisions shall apply :—

(*1*) the Court shall take into consideration any increase to the value of any other land or building belonging to the person interested likely to accrue from the acquisition of the land or from the acquisition, alteration or demolition of the building;

(*2*) when any addition to, or improvement of, the land or building has been made after the date of the publication under sub-section (*1*) of section 354G or section 354P of a notification relating to the land or building, such addition

or improvement shall not (unless it was necessary for the maintenance of the building in a proper state of repair) be included, nor in the case of any interest acquired after the said date shall any separate estimate of the value thereof be made, so as to increase the amount of compensation to be paid for the land or building;

(*3*) in estimating the market value of the land or building at the date of the publication of a notification relating thereto under sub-section (*1*) of section 354G or section 354P the Court shall have due regard to the nature and the condition of the property and the probable duration of the building if any in its existing state and to the state of repair thereof and to the provisions of clauses (*4*), (*5*) and (*6*) of this section;

(*4*) if in the opinion of the Court the rental of the land or building has been enhanced by reason of its being used for an illegal purpose, or being so overcrowded as to be dangerous or injurious to the health of the inmates, the rental shall not be deemed to be greater than the rental which would be obtainable if the land or building were used for legal purposes only, or were occupied by such a number of persons only as it was suitable to accommodate without risk of such overcrowding;

Explanation.—For the purposes of this sub-section overcrowding shall be interpreted as in sub-sections (*4*) and (*5*) of section 379A;

(*5*) if in the opinion of the Court the building is in a state of defective sanitation, or is not in reasonably good repair the amount of compensation shall not exceed the estimated value of the property after the building has been put into a sanitary condition, or into reasonable good repair,

less the estimated expense of putting it into such condition, or repair ;

(*6*) if in the opinion of the Court the building being used or intended or likely to be used for human habitation is not reasonably capable of being made fit for human habitation, the amount of compensation for the building shall not exceed the value of the materials, less the cost of demolition.

Collector to take possession after making an award and transfer land to Corporation.

354U. When the Collector has made an award under section 11 of the Land Acquisition Act, as applied by this Act, he may take possession of the land which shall thereupon vest absolutely in His Majesty free from all encumbrances, and the Collector shall, upon payment of the cost of the acquisition make over charge of the land to the Commissioner and the land shall thereupon vest in the Corporation subject to the liability of the Commissioner to pay on behalf of the Corporation any further costs which may be incurred on account of the acquisition of the land.

Compensation to Corporation on resumption of certain land.

354V. Whenever any land specified in Schedule W is resumed by Government, or any land specified in Schedule Y and vested in the Corporation is taken possession of by Government under the provisions of this Act, the market value of the land as at the date of resumption as determined by the Collector, or in appeal by the High Court, shall be paid to the Corporation by Government.

Power to grant loans for building purposes.

354W. (*1*) Subject to the provisions of this Act and of the bye-laws made thereunder the Commissioner may, with the previous sanction of the Improvements Committee, advance loans to persons desiring to erect buildings on land vested in the

Corporation in consequence of the transfer to them of the property of the Board of Trustees for the Improvement of the City of Bombay constituted under the City of Bombay Improvement Trust Transfer Act, 1925.

Bom. XVI of 1925.

(2) Any person desiring to erect a building on any such land may make an application to the Commissioner in the form prescribed by the bye-laws for a loan to be advanced by way of a mortgage on the security of the building to be so erected; and the Commissioner may, after making such enquiry as he thinks necessary, and subject to the conditions mentioned in sub-sections (1) and (3) and the bye-laws made under section 461, advance such loans.

(3) Every such loan shall be subject to the following among other conditions:—

(1) that the building in respect of which the loan is advanced shall be used wholly or mainly for residential purposes;

(2) that the aggregate amount of the loan shall not exceed twenty thousand rupees in any individual case;

(3) that the period within which the loan shall be repayable shall not exceed twenty years from the date of the first occupation of the building;

(4) that the amount of the loan shall not exceed 60 per cent. of the costs of the building (including outhouses and other works, if any, connected therewith) irrespective of the period of repayment;

(5) that the person to whom the loan is advanced shall execute a mortgage of the building (including outhouses and other works, if any, connected therewith) together with the site on which they are erected in favour of the

Corporation containing such covenants and conditions as may be prescribed in the bye-laws.

Payment to be made by Government.

354X. Government shall pay to the Corporation, from the date on which the City of Bombay Municipal (Amendment) Act, 1933, comes into operation and until the ninth day of November 1997, all rents and profits derived by Government from the lands specified or referred to in Schedule Z.

Amendment of section 461 of Bom. III of 1888.

36. In section 461 of the said Act—

(*a*) in clause (*t*) after the word "Committee" the words "and of the Improvements Committee" shall be inserted; and

(*b*) after clause (*vv*) the following clauses shall be inserted, namely:—

"(*w*) the management and use of the lands vested in the Corporation under sub-section (*2*) of section 91A;

(*x*) the management, use and regulation of dwellings constructed for the poorer or working classes under any scheme duly sanctioned under the City of Bombay Improvement Act, 1898, or the City of Bombay Improvement Trust Transfer Act, 1925; Bom. IV of 1898. Bom. XVI of 1925.

(*y*) the conditions on which loans shall be advanced and the form of application for the advance of a loan under section 354W and;"

(*c*) clause (*w*) shall be renumbered "(*z*)."

37. In the schedules to the said Act, after Schedule V the following schedules shall be inserted, namely :—

Insertion of new Schedules W, X, Y, Z, AA, BB, CC and DD of Bom. III of 1888.

SCHEDULE W.

(See *section 91-A.*)

Plot No.	Ward No.	Cadastral Survey. No.	Description.	Area Cadastral Survey.	Total area.	Value.	
						Amount.	Total amount.
			THE FLATS.	Sq. yds.	Sq. yds.	Rs.	Rs.
			(*Deposited Plan "A."*)				
1(*a*)	..	66 (part), 69 (part), Lower Parel Division.	Bounded on the North partly by Plot No. 1 (*k*) of the Flats, partly by the land belonging to the B. B. & C. I. Railway Company bearing Cadastral Survey No. 43 and on the South by Haines Road; on the East by private properties bearing Cadastral Survey Nos. 66, 65, 67 and on the West partly by land belonging to the Corporation, partly by Plot No. 1 (*k*) of the Flats and partly by land belonging to the B. B. & C. I. Railway Company bearing Cadastral Survey No. 43.	75,194	..	..	..
			(*Deposited Plan "B."*				
1(*b*) Part 1(*d*1) Part 1(*d*2) 1(*d*3)	..	383 Part. 2/383 ,, Of Tardeo Division.	Bounded on the North by the land belonging to the Corporation bearing Cadastral Survey No. 410 (part) and partly by Clerk Road; on the South by private properties bearing Cadastral Survey Nos. 1/407, 372, 373, 374, 375, 369, 7/366, 8/366, 384, 383(part), and 4/388; on the East by the land bearing Cadastral Survey No. 1/388 and on the West, by private properties bearing Cadastral Survey Nos. 409, 408, 1/408, 407 land belonging to the Corporation and by Cadastral Survey Nos. 403, 401, 400, 399, 398, 375, 372, 382, 369, 368, 383 (part) excluding the 100 ft. and 40 ft. roads, and the Body Guard Lines.	347,950	..	..	..

SCHEDULE W—*contd.*

Plot No.	Ward No.	Cadastral Survey. No.	Description.	Area Cadastral Survey.	Total area.	Value.	
						Amount.	Total Amount.
				Sq. yds.	Sq. yds.	Rs.	Rs.
			THE FLATS.—*contd.*				
			(*Deposited Plan "C."*)				
1(*e*)	..	412 (part), Tardeo Division.	Bounded on the North by Clerk Road ; on the South by the properties bearing Cadastral Survey Nos. 413 and 56; on the East by properties bearing Cadastral Survey Nos. 414 and 56, and on the West by the Municipal private road bearing Cadastral Survey No. 390, beyond which is the land belonging to the Corporation bearing Cadastral Survey No. 411 excluding the Municipal road for rubbish carts.	19,815	..	..	..
			(*Deposited Plan "D".*)				
1(*e*)	..	1/1030, 2/1030, Lower Parel Division.	Bounded on the North by the newly constructed 100 feet Worli Road ; on the South and West by land belonging to the Corporation bearing Cadastral Survey No. 286 and on the East by the private property bearing Cadastral Survey No. 1031.	6,133	..	7,666	..
			(*Deposited Plan "E."*)				
1(*f*)	..	1/268 and 268, Lower Parel Division.	Bounded on the North by passage bearing Cadastral Survey No. 2/472 and by private properties bearing Cadastral Survey Nos. 427, 438; on the South by the land belonging to the Corporation bearing Cadastral Survey Nos. 1/269, 2/269 and 269, and by private property bearing Cadastral Survey No. 1/265; on the East by private properties bearing Cadastral Survey Nos. 279, 267, 1/265, 439, 438, 437, 436, 433, 1/472 and 2/472 ; and on the West by the Worli Low Level Drainage Channel bearing Cadastral Survey No. 286.	25,265	..	18,949	

SCHEDULE W—*contd.*

Plot No.	Ward No.	Cadastral Survey No.	Description.	Area Cadastral Survey.	Total area.	Value.	
						Amount.	Total amount.
			THE FLATS—*contd.*	Sq. yds.	Sq. yds.	Rs.	Rs.
			(*Deposited Plan "F"*)				
1(*g*)	..	/1 (part), 144 (part), Lower Parel Division.	Bounded on the North by the land belonging to the Corporation bearing Cadastral Survey No. 284; on the South by Plot 1 (*i*) (East) and private property bearing Cadastral Survey No. 143 on the Eastpartly by the belonging land to the Corporation bearing Cadastral Survey No. 2/71 and partly by private properties bearing Cadastral Survey Nos. 144 (part) and 1/145 and on the West by Plot No. 1 (*i*) (East) of the Flats.	4,287	..	2,679	..
1 (*h*)	..	3/71, 71 (part), Lower Parel Division.	Bounded on the North by private properties bearing Cadastral Survey Nos. 106 and 107; on the South by the landbelonging to the Corporation bearing Cadastral Survey No. 71 (part); on the East by the Tulsi Pipe Line Road bearing Cadastral Survey No. 70 and on the West by the land belonging to the Corporation bearing Cadastral Survey No. 71 (part).	4,104	..	13,338	..
			(*Eastern portion.*)				
1 (*i*) East	..	71 (part), Lower Parel Division.	Bounded on the North partly by the land belonging on the Corporation bearing Cadastral Survey No. 284 (part), partly by Plot 1 (*g*) of the Flats and partly by private properties bearing Cadastral Survey Nos. 143, 142 and 140; on the South by the land belonging to the Corporation bearing Cadastral Survey No. 71 (part); on the East partly by private properties bearing Cadastral Survey Nos. 107, 140, 142, 143, and partly by Plot 1 (*g*) of the Flats and on the West by the Low Level Drainage Channel.	42,062	..	42,062	..

SCHEDULE W—*contd.*

Plot No.	Ward No.	Cadastral Survey No.	Description.	Area Cadastral Survey.	Total area.	Value.	
						Amount.	Total amount.
				Sq. yds.	Sq. yds.	Rs.	Rs.
			THE FLATS—*contd.*				
			(*Deposited Plan "F"*) —contd.				
			(*Western portion.*)				
1 (i) West.	..	110 (part), Lower Parel Division.	Bounded on the North by private property bearing Cadastral Survey No. 134 and partly by private properties bearing Cadastral Survey Nos. 137, 136, 139 and partly by the Low Level Drainage Channel; on the South partly by the land belonging to the Corporation bearing Cadastral Survey No. 1/110, partly by the Low Level Drainage Channel and partly by private properties bearing Cadastral Survey Nos. 137, 136, 139 and 134; on the East by the Low Level Drainage Channel and on the West partly by land belonging to the Corporation bearing Cadastral Survey No. 1/110 and partly by private properties bearing Cadastral Survey Nos. 137, 139, 136 and 134.	..	..	..	..
			(*Deposited Plan "G."*)				
1 (j)	..	46 (part) Lower Parel Division.	Bounded on the North by the Municipal Storm Water Reservoir; on the South partly by Clerk Road and partly by land belonging to the Corporation bearing Cadastral Survey No. 45; on the East partly by land belonging to the Corporation bearing Cadastral Survey No. 45, partly by land acquired by Government for the B. B. & C. I. Railway, Company bearing Cadastral Survey No. 46, partly by the Junction Road and partly by the Low Level Drainage Channel beyond which is Haines Road and on the West by the Municipal old drain.	718,948	..	..	..

SCHEDULE W—*contd.*

Plot No.	Ward No.	Cadastral Survey No.	Description.	Area Cadastral Survey.	Total area.	Value.	
						Amount.	Total amount.
				Sq. yds.	Sq. yds.	Rs.	Rs.
			THE FLATS—*concld.*				
			(*Deposited Plan "A."*)				
1 (*k*)	..	69 (part) Lower Parel Division.	Bounded on the North by land belonging to the B. B. & C. I. Railway Company bearing Cadastral Survey No. 43; on the South and East by Plot No. 1 (*a*) of the Flats and on the West by land belonging to the Corporation.	9,076	..	29,497	..
			Total ..	..	1,252,834	..	1,14,191
			THE KENNEDY SEA FACE.				
			(*Deposited Plan "H."*)				
2	..	7, Fort Division.	Bounded on the North, South and West by the Foreshore of Backbay and on the East by a public footpath.	4,447	..	..	..
			Total ..	..	4,447	..	..
			THE MARINE LINES ESTATE.				
			(*Deposited Plan "J."*)				
4 (*a*)	..	718 to 752, 1416 to 1421, 1429 to 1433 and 1435, Fort Division.	Bounded on the North by the South side of the compound of Government Bungalow bearing Cadastral Survey No. 1436; on the East partly by the West Boundary of Government Plot reserved for Military purposes by Government Resolution No. 2-C W. 4, dated 3rd January 1881, and partly by the West Boundary of Plot 4 (*b*) (Marine Lines Maidan); on the South by a portion of the North Boundary of Plot No. 4 (*b*) (Marine Lines Maidan) and on the West by the Marine Lines Road (Marine Street) but excluding the two Roads giving access to the Maidan from the Marine Lines Road.	32,825	..	3,28,250	..

SCHEDULE W—*contd.*

Plot No.	Ward No.	Cadastral Survey No.	Description.	Area Cadastral Survey.	Total area.	Value.	
						Amount.	Total amount.
				Sq. yds.	Sq. yds.	Rs.	Rs.
			THE WELLINGTON LINES PLOT.				
			(*Deposited Plan "K."*)				
5	..	14, 1/14, 15 and 16, 18 to 29, Fort Division	Bounded on the North by Mayo Road; on the South-East by Wodehouse Road; on the East by Esplanade Road and on the West by the Cooperage Road, but excluding the site occupied by the Admiral's Bungalow.	44,938	..	4,40,380	..
			THE WODEHOUSE ROAD PLOT.				
			(*Deposited Plan "L."*)				
6 (*a*)	..	440 to 444, Colaba Division.	Bounded on the North-West by Wodehouse Road; on the South-East by Colaba Causeway and on the South and South-West by Convent Street.	9,494	..	..	..
6 (*b*)	..	433 (part), 436 to 439, 1/439, 446 and 1/446 Colaba Division.	Bounded on the North-West by Wodehouse Road; on the North and North-East by Convent Street; on the South-East by Colaba Causeway and on the South-West by Ormiston Street but excluding the sites occupied by— (1) The Elphinstone College Students' Quarters bearing Cadastral Survey No. 445 (Part). (2) The Telang Memorial Quarters bearing Cadastral Survey No. 445 (Part). (3) The Wesleyan Church and School under a lease dated 4th March, 1925, bearing Cadastral Survey No. 433 (Part), (4) The Wodehouse Road Police Accommodation Building bearing Cadastral Survey No. 435 and (5) The Temple bearing Cadastral Survey No. 434.	13,355	..	..	..

SCHEDULE W—*contd.*

Plot No.	Ward No.	Cadastral Survey. No.	Description.	Area Cadastral Survey.	Total area.	Value. Amount.	Value. Total amount.
				Sq. yds.	Sq. yds.	Rs.	Rs.
			THE WODEHOUSE ROAD PLOT—*contd.*				
			(*Deposited Plan "L"*) —contd.				
6 (*c*)	..	425 so 429, Colaba Division.	Bounded on the North-West by Wodehouse Road; on the North-East by Ormiston Street; on the South-East partly by the property of the Corporation bearing Cadastral Survey No. 431 and partly by the property of the Bombay Electrical Supply and Tramways Company, Limited, bearing Cadastral Survey No. 430 and on the South by the B. B. & C. I. Railway land bearing Cadastral Survey No. 2 and the G. I. P. and B. B. & C. I. Railway sidings bearing Cadastral Survey No. 322.	18,731	..	..	..
			Total, Wodehouse Road Plot ..	..	41,580	..	4,15,800
			THE HORNBY ROAD PLOT.				
			(*Deposited Plan "M."*)				
7 (*a*)	..	699, Fort Division.	Bounded on the North-East, South-East and South-West by property in the occupation of the Standard Life Assurance Company, bearing Cadastral Survey No. 698 and on the North West by Bastion Road.	116	..	..	..
7 (*b*)	..	700 and 701, Fort Division.	Bounded on the North-East by premises known as the J. N. Petit's Institute bearing Cadastral Survey No. 102; on the South-East by Hornby Road; on the South-West by property in the occupation of the Standard Life Assurance Company, bearing Cadastral Survey No. 698 and on the North-West by Bastion Road.	1,369	..	..	..

SCHEDULE W—*contd.*

Plot No.	Ward No.	Cadastral Survey. No.	Description.	Area Cadastral Survey.	Total area.	Value.	
						Amount.	Total amount.
				Sq. yds.	Sq. yds.	Rs.	Rs.
			THE HORNBY ROAD PLOT—*contd.*				
			(*Deposited Plan "M"*) —contd.				
7 (*c*)	..	740, 741, Fort Division.	Bounded on the North-East by the Parsi Lying in Hospital, bearing Cadastral Survey No. 742; on the South-East by Bastion Road; on the South-West by Cathedral Girls' School, bearing Cadastral Survey No. 739 and on the North-West by Prescott Road.	1,878	..	..	..
7 (*d*)	..	744, 755, Fort Division.	Bounded on the North-East by Outram Road; on the South-East by Hornby Road; on the South-West by property in occupation of Messrs. Whiteaway Laidlaw and Company, Limited, bearing Cadastral Survey No. 743 and on the North-West by Bastion Road.	2,648	..	..	..
7 (*e*)	..	746 to 749, 752, 753, 757 to 760, 1397 to 1399, 1407 to 1410, Fort Division.	Bounded on the North-East by Ravelin Street; on the South-East by Hornby Road; on the South-West by Outram Road and on the North-West by Murzban Road, but excluding the sites of the Cathedral High School for Boys (Cadastral Survey No. 750), the Government Store (Cadastral Survey No. 756) and Bastion Road (part of) and Home Street (part of) and Wallace Street.	26,124	..	..	..
7 (*f*)	..	1406, Fort Division.	Bounded on the North-East by the site of the Scottish Free Church (Cadastral Survey No. 1405); on the South-East by Murzban Road; on the South-West by Ravelin Street and on the North-West by Waudby Road.	2,971	..	..	..

SCHEDULE W—*contd.*

Plot No.	Ward No.	Cadastral Survey No.	Description.	Area Cadastral Survey.	Total area.	Value. Amount.	Value. Total amount.
				Sq. yds.	Sq. yds.	Rs.	Rs.
			THE HORNBY ROAD PLOT—*contd.* (*Deposited Plan "M"*) —concld.				
7 (*g*)	..	1402 and 1404, Fort Division.	Bounded on the North-West by Murzban Road; on the South-East by the sites of the Elphinstone Cricket Club Quarters (Cadastral Survey No. 1401) and the Masonic Hall (Cadastral Survey No. 1403); and on the South by Ravelin Street.	762	..	..	..
7 (*h*)	..	1389 and 1390, Fort Division.	Bounded on the North-West by Murzban Road; on the South-East by Hornby Road; on the South-West by Private property bearing Cadastral Survey No. 1391 and on the West by Bastion Road and property bearing Cadastral Survey No. 1523.	3,257	..	..	..
7 (*i*)	..	1385, Fort Division.	Bounded on the North-East by Cruickshank Road; on the East by Hornby Road; on the South-East by Murzban Road; on the South-West by private property bearing Cadastral Survey No. 1386 and on the North-West by Waudby Road.	2,521	..	..	..
			Total, The Hornby Road Plot ..	..	41,616	..	8,32,320
			TRIANGULAR PLOT SOUTH OF CRAWFORD MARKET. (*Deposited Plan "N"*).				
8	..	1492, Fort Division.	Bounded on the North by Market Road; on the West by Hornby Road; and on the South-East by Phalton Road.	7,707	..	1,54,140	..
			Total ..	..	7,707	..	1,54,140

SCHEDULE W—*contd.*

Plot No.	Ward No.	Cadastral Survey No.	Description.	Area Cadastral Survey.	Total area.	Value. Amount.	Value. Total amount.
				Sq. yds.	Sq. yds.	Rs.	Rs.
			PLOT NORTH OF MUNICIPAL OFFICES. (*Deposited Plan "O"*).				
9	..	1451, Fort Division.	Bounded on the North by Gymnasium Road; on the South by Council Road; on the East by Hornby Road; and on the West by the Headquarters of the Bombay Volunteer Rifles (Cadastral Survey No. 1450.)	6,811	..	2,04,330	..
			Total ..	..	6,811	..	2,04,330
			THE CHAUPATI WEST ESTATE. (*Deposited Plan "P"*).				
10 (*a*) and 10 (*b*)	..	380, 1/380, 2/380, 2A/380, 3/380, 3A/380, 4/380, 4A/380, 5/380, 6/380, 6A/380, 7/380, 8/830, 8A/380, 9/380, 10/380, 11/380, 12/380, 13/380, 393, 394, 395, 1/395, 1A/395, 1B/395, 2/395, 3/395, 4/395, and 430, Malabar Hill Division.	(*a*) and (*b*) Bounded on the North partly by a public passage leading to Gibb's Road and partly by land belonging to the Corporation bearing Cadastral Survey No. 437; on the South partly by the Sirri Road, partly by the Old Body Guard Lines (Cadastral Survey No. 392) and partly by private properties bearing Cadastral Survey Nos. 376 and 382; on the East partly by Babulnath Road and partly by the Old Body Guard Lines (Cadastral Survey No. 392); and on the West by an irregular line extending from where the public passage leading to Gibbs' Road meets the Gibbs' Road to the Sirri Road beyond which are situate properties bearing Cadastral Survey Nos. 437, 381, 374 and 375 but excluding the newly constructed 30 feet and 40 feet roads, Dadyseth Road and the Municipal market which all are indicated on the plan by red dotted lines—				
			(*a*) Land forming the Hill Slope.	47,544	..	..	..
			(*b*) Building land ..	35,653	..	..	..

SCHEDULE W—*contd.*

Plot No.	Ward No.	Cadastral Survey No.	Description.	Area Cadastral Survey.	Total area.	Value. Amount.	Value. Total amount.
			THE CHAUPATI WEST ESTATE—*contd.* (*Deposited Plan "P"*) —contd.	Sq. yds.	Sq. yds.	Rs.	Rs.
10 (*c*)	..	398 to 404, 426 to 429, Malabar Hill Division.	Bounded on the North by Babulnath 1st Cross Road; on the South by Queen's Road, Chaupati; on the West by Babulnath Road; and on the East by Harvey Road, but excluding Babulnath 2nd and 3rd Cross Roads.	21,615	..	2,16,150	..
10 (*d*)	..	424 (part), Malabar Hill Division.	Bounded on the North and West by Babulnath Road; on the South by Babulnath 1st Cross Road; and on the East by private property bearing Cadastral Survey No. 424 (part).	232	..	2,320	..
10 (*e*)	..	407 (part), 417 to 420, Malabar Hill Division.	Bounded on the North partly by a 15 feet service passage bearing Cadastral Survey No. 413 and partly by Babulnath Road; on the South partly by Chaupati Road and partly by private property bearing Cadastral Survey No. 407; on the East by private properties bearing Cadastral Survey Nos. 407 and 409; and on the West by Babulnath Road.	6,232	..	62,320	..
			Total, The Chaupati West Estate.	..	111,276	..	6,37,320
			CHAUPATI EAST ESTATE. (*Near Charni Road Level Crossings.*) (*Deposited Plan "Q"*).				
11	..	1510, 1/1510, 1512, 1513, 1571, Girgaum Division.	Bounded on the North by a low level road and beyond by French Bridge; on the North-West by a passage and beyond by private property bearing Cadastral Survey No.	4,789	..	47,890	..

SCHEDULE W—*contd.*

Plot No.	Ward No.	Cadastral Survey No.	Description.	Area Cadastral Survey.	Total area.	Value.	
						Amount.	Total amount.
				Sq. yds.	Sq. yds.	Rs.	Rs.
11 *contd.*			1514 on the East and South-East by the B. B. & C. I. Railway Company land; on the West by private properties bearing Cadastral Survey Nos. 1570, 4/1517, 1517, 1516, 1515 and 1514; and on the South-West by Queen's Road, Chaupati.				
			Total ..	..	4,789	..	47,890
			THE PAREL ESTATE. (*Deposited Plan "R"*).				
12(*A*)	..	74 (Part of) Parel - Sewri Division.	Bounded on the North partly by Bhoiwada Cross Road and partly by land bearing Cadastral Survey No. 74 (part) belonging to the Corporation; on the East by the Haffkine Institute compound bearing Cadastral Survey No. 330 and partly by the Nowroji Wadia Maternity Hospital bearing Cadastral Survey No. 212/74; on the South partly by the Nowroji Wadia Maternity Hospital, partly by King Edward Road and partly by the site of the Wadia Hospital for children and on the West partly by the land of the Corporation reserved for the widening of Bhoiwada Cross Road and partly by the site of the Wadia Hospital for children.	31,504	..	..	..
12(*B*)	..	74 (part), Parel-Sewri Division.	Bounded on the North-East by King Edward Road; on the West and South-West by land belonging to the Corporation bearing Cadastral No. 74 (part of).	300	..	..	..

SCHEDULE W—*contd.*

Plot No.	Ward No.	Cadastral Survey No.	Description.	Area Cadastral Survey.	Total area.	Value.	
						Amount.	Total amount.
				Sq. yds.	Sq. yds.	Rs.	Rs.
			THE PAREL ESTATE —*contd.* (*Deposited Plan "R"*) —contd.				
12 (*C*1)	..	74 (part), Parel-Sewri Division.	Bounded on the North-East by the Haffkine Institute Compound bearing Cadastral Survey No. 330; on the East by the Municipal property bearing Cadastral Survey No. 74 (part); on the South partly by a passage bearing Cadastral Survey No. 324 and partly by the site of the Professors' quarters for the King Edward Memorial Hospital, partly by the play ground for the King Edward Memorial Hospital, partly by the Government House Gate Road and partly by the King Edward Memorial Hospital Compound; and on the West partly by the site of the Professor's quarters for the King Edward Memorial Hospital and partly by a portion of King Edward Road.	5,560	..	..	..
12(*C*2)	..	323, Parel-Sewri Division.	Bounded on the North by the site of the Professors' quarters for the King Edward Memorial Hospital; on the East by a passage bearing Cadastral Survey No. 324; on the South by a private property bearing Cadastral Survey No. 322; and on the North-West by the play ground for the King Edward Memorial Hospital.	373	..	..	..
12(*D*)	..	334, Parel-Sewri Division.	Bounded on the North by private property bearing Cadastral Survey No. 332; on the South by private properties bearing Cadastral Survey Nos. 335, 336 and 337; on the East by a public passage, and on the West by private properties bearing Cadastral Survey Nos. 329, 336 and 335.	403	..	..	..

SCHEDULE W—*concld.*

Plot No.	Ward No.	Cadastral Survey. No.	Description.	Area Cadastral Survey.	Total area.	Value.	
						Amount.	Total Amount.
..			THE PAREL ESTATE —*contd.* (*Deposited Plan "R"*) —concld.	Sq. yds.	Sq. yds.	Rs.	Rs.
12(E)	..	304, Parel-Sewri Division.	Bounded on the North by a passage bearing Cadastral Survey No. 324; on the South by private property bearing Cadastral Survey No. 395; on the East by private property bearing Cadastral Survey No. 400; and on the West partly by a passage bearing Cadastral Survey No. 324; and partly by private property bearing Cadastral Survey No. 395 (*Deposited Plan "S."*)	151	..	..	..
12(F)	..	408 (part) of, Parel-Sewri Division.	Bounded on the North-East by the Bacteriological Laboratory land bearing Cadastral Survey No. 408 (part of); on the South by private property bearing Cadastral Survey No. 414; on the East by Parel Tank Road; and on the West by private properties bearing Cadastral Survey Nos. 404 to 413.	5,131	..	..	..
12(G)	..	245, Parel-Sewri Division.	Bounded on the North partly by Parel Village Road and partly by private properties bearing Cadastral Survey Nos. 246 and 241; on the South by private property bearing Cadastral Survey No. 244; on the East by private properties bearing Cadastral Survey Nos. 241, 242 and 244; and on the West by private property bearing Cadastral Survey No. 246 (*Deposited Plan "T"*).	2,130	..	..	..
12(H)	..	681, Parel-Sewri Division.	Bounded on the North-West by a passage bearing Cadastral Survey No. 658; on the South by Parel Tank Road; and on the North-East by private properties bearing Cadastral Survey Nos. 680, 677, 676 and 675.	1,144	..	..	..
			Total, The Parel Estate ..	..	46,606	..	1,40,088

SCHEDULE X.

(See *Section 91A.*)

Plot No.	Ward No.	Cadastral Survey No.	Description.	Area, Cadastral Survey.	Total area.	Value. Amount.	Value. Total amount.
				Sq. yds.	Sq. yds.	Rs.	Rs.
			THE CONNAUGHT ROAD ESTATE. (*Deposited Plan "A."*) *Ward E.*				
1 A	7463 (1 to 4) 7464 (1 and 2) 7465 (1 to 3) 7466 (1 to 3) *Nil.* 7462 (5) 7462 (4) *Nil.*	700 to 705, 706, 695, 696, 699 Byculla Division.	Plot bounded on the North by property belonging to the New Great Eastern Spinning and Weaving Company bearing Cadastral Survey No. 707; on the South partly by Sussex Road, partly by a Police Accommodation Scheme bearing Cadastral Survey No. 697 and partly by private property bearing Cadastral Survey No. 698; on the East by Cork Road; and on the West partly by Parel Road and partly by the aforesaid Police Accommodation Scheme, but omitting the site of Ulster Road.	9,495	9,495	51,155	51,155
1 B	*Nil.* 7448 (4) 7446 (2 to 4)	689, 690 to 693 Byculla Division.	Plot bounded on the North by Sussex Road; on the South by private properties bearing Cadastral Survey Nos. 682 to 687; on the East by private property bearing Cadastral Survey No. 688; and on the West by private properties bearing Cadastral Survey Nos. 678 and 679.	4,267	..	25,602	..
1 (19)	7458	2/672 Byculla Division.	Bounded on the North and West by a public passage; on the East by the property bearing Cadastral Survey No. 672; and on the South by Sussex Road.	96	4,363	480	26,082
			Total ..	..	13,858	..	77,237

SCHEDULE X—*contd.*

Plot No.	Ward No.	Cadastral Survey No.	Description.	Area Cadastral Survey.	Total area.	Value.	
						Amount.	Total amount.
			WEST AGRIPADA ESTATE. (*Deposited Plan "B."*) *Ward E*—contd.	Sq. yds.	Sq. yds.	Rs.	Rs.
2 A	4134 (1 to 5) 4104 (1 to 7) 4103 (1 to 6) 4101 (1 to 5) and (9 to 12) 4099 (1 to 15) 4107 (1 to 8) 4105 (1 to 7) 4106 (1 to 7) 4108 (1 to 7) 4146 (1 to 6) 4100, 4102 4094 (1 to 6) 4539 (1 and 2) 4540 (1) 4553 4554 (1) 4098 (3) 4091 (1 to 6) 4090 (1 to 7) and (10A) 4137 (1 to 5) 4143 (1) 4136 (1 to 4) 4135, 4145, 4134 (6 to 8) 4092 (1 to 12) 4141 (1 & 2) 4142 1 & 2) 4139 (1 to 3) 4138 4093 (1E) 4093 (1A & 1B) 4093 (1AA) 4090 (8) 4094 (4, 4A.)	1602 to 1633, 1634, 1/1634, 2/1634, 3/1634, 4/1634, 5/1634, 1635 to 1659, 1/1659, 2/1659, 4/1659, 5/1659, 6/1659, 1660, 1584, 1862, 1/1862. 1A/1862, 1B/1862, 1863, 1/1863, 1864, 1865, 1/1865, 2/1865, 2A/1865. 3/1865, 4/1865, 5/1865, 6/1865, 7/1865, 1866 to 1871, 1/1871, 1871, 2/1871, 3/1871, 3A/1871, 4/1871, 5/1871, 5A/1871, 6/1871, 7/1871, 8/1871. 1872 to 1875, 1/1876, 2/1876, 3/1876, 4/1876, 5/1876, 6/1876, 7/1876, 8/1876, 9/1876, 10/1876. 1877(part), 1878, 1/1878, 2/1878, 1879, 1880. 1/1880, 2/1880, 1881, 1882, 1883, 1902, 1/1902, 1908, 1909, 1911, 1912 Byculla Division.	Bounded on the North partly by the site of an old water course bearing Cadastral Survey No. 1903 and partly by Gell Street; on the South by Club Road; on the East partly by Moreland Road and partly by portion of Police Accommodation Scheme No. 19 bearing Cadastral Survey No. 1907; and on the West by plot D and beyond that by Lamington Road, but excluding the site of the portion of Police Accommodation Scheme No. 19 bearing Cadastral Survey No. 1901 and the sites of Rebsch Street, Souter Street, Club Back Road, Club Cross Road, Cirrus Avenue, Motlibai Street, Reynolds Road, Wylie Road, Agripada Chawl Street and Gell Street (part of)	216,636	216,636	..	6,49,008

SCHEDULE X—*contd.*

Plot No.	Ward No.	Cadastral Survey No.	Description.	Area Cadastral Survey.	Total area.	Value.	
						Amount.	Total amount.
				Sq. yds.	Sq. yds.	Rs.	Rs.
			WEST AGRIPADA ESTATE — *concld.*				
			(*Deposited Plan "B"*) — concld.				
			Ward E— concld.				
2(B)	4184, 4185(6 to 8).	1599, 1/1599, 1600, 1/1600, 2/1600, 1601 Byculla Division.	Bounded on the North by private property bearing Cadastral Survey No. 1884; on the South by property of the B. B. and C. I. Railway Company bearing Cadastral Survey No. 1596; on the East by Lamington Road; and on the West by a passage, but excluding the site of Jetha Street.	2,766	..	8,298	..
2 (C)	4466 (2)	1896 (part), 1897, 1899 Byculla Division.	Bounded on the North by the land belonging to the Indian Manufacturing Company, Ltd., bearing Cadastral Survey No. 1896 (part); on the South by private property bearing Cadastral Survey No. 1900; on the East by Plot 'D' and beyond that by Lamington Road, and on the West partly by Arthur Road and partly by private Road bearing Cadastral Survey No. 1/1888 but excluding the site of the Police Accommodation Scheme No. 70.	3,053	..	8,578	..
2 (D)	..	*Nil.*	Land reserved for widening of Lamington Road on its East and West sides.	5,366	5,366	..	..
			Total ..	..	228,721	..	6,66,784
			Deduct area resumed by the Corporation on 20th June 1906 out of Cadastral Survey No. 1877.	..	750	..	2,250
			Total, West Agripada Estate.	..	227,971	..	6,64,534

SCHEDULE X—*contd.*

Plot No.	Ward No.	Cadastral Survey No.	Description.	Area Cadastral Survey.	Total area.	Value. Amount.	Value. Total amount.
			THE CENTRAL AGRIPADA ESTATE.	Sq. yds.	Sq. yds.	Rs.	Rs.
			(*Deposited Plan "C."*)				
			Ward E.				
3 (A)	*Nil.*	2/1694 Byculla Division.	Bounded on the North by private property bearing Cadastral Survey No. 1853; on the South by the Municipal Urdu School bearing Cadastral Survey No. 1661; on the East by the land resumed by the Corporation bearing Cadastral Survey No. 1/1694; and on the West by Morcland Road.	190	..	760	..
3 (B)	4067 part *Nil.*	1664 and parts of 1663, 1689, 1691 and 1692 Byculla Division.	Bounded on the North partly by Sankli Street and partly by a service passage bearing Cadastral Survey No. 1663; on the South partly by private property bearing Cadastral Survey No. 1665 and partly by Ghellabhoy First Lane; on the East by private properties bearing Cadastral Survey Nos. 1689 (part), 1690; 1691 and 1692 (part); and on the West partly by Morcland Road and partly by private properties bearing Cadastral Survey Nos. 1665 and 1693.	2,721	2,911	9,768	10,528
			Total, Central Agripada Estate.	..	2,911	..	10,528
			THE EAST AGRIPADA ESTATE.				
			(*Deposited Plan "D"*)				
			Ward E—contd.				
4 (A)	7416 (1 to 6) 7413(1 & 2) 7414(1 & 2) 7411(1 & 2) 7415 (1 to 3) 7412(1 & 2)	1943. 1961 to 1965. Byculla Division.	Plot bounded on the North by the Board's Mahar Chawls bearing Cadastral Survey No. 1928; on the West and South-West by Killedar Street; and on the East by Pais Street.	35,478	..	..	4,27,509

SCHEDULE X—*contd.*

Plot No.	Ward No.	Cadastral Survey. No.	Description.	Area Cadastral Survey.	Total area.	Value.	
						Amount.	Total amount.
				Sq. yds.	Sq. yds.	Rs.	Rs.
			THE EAST AGRIPADA ESTATE—*contd.* (*Deposited Plan "D"*) —contd. *Ward E*—concld.				
4 (B)	*Nil* 4373(1 & 2) 4374 4375 4354 (1 to 3) 4353(1 & 2)	1840 part. 1842. 1843. 1922 Byculla Division.	Plot bounded on the North partly by land of the Board bearing Cadastral Survey No. 1840 (part of) and partly by private properties bearing Cadastral Survey Nos. 1827 to 1835; on the South by Tank Pakhady Street; on the East partly by a service passage, partly by private properties bearing Cadastral Survey Nos. 1923, 1924, 1839 and 1827 and partly by the land belonging to the Corporation bearing Cadastral Survey Nos. 1840 (part of); and on the West by Milk Street.	23,268	..	..	1,16,433
4 (C)	4563 (1, 2, 2A, 2B and 2C)	1844 Byculla Division.	Plot bounded on the North by Tank Pakhadi Street; on the South by the Plot No. 6 belonging to the Corporation leased to Bai Hoorbai and a minor and bearing Cadastral Survey No. 1845; on the East by Water Street; and on the West by Plot No. 5 leased to the Municipality and bearing Cadastral Survey No. 1840 (part of).	7,139	7,139	94,484	94,484
			Total, East Agripada Estate.	..	65,885	..	6,38,426

SCHEDULE X—*contd.*

Showing Lands at Matunga (Deposited Plan "E.")

Plot No.	F Ward No.	Cadastral Survey. No.	Description.	Area Cadastral Survey.	Total area.	Value. Amount.	Value. Total Amount.
				Sq. yds.	Sq. yds.	Rs.	Rs.
		Matunga Division.					
1	6643 p. 6642 p.	31/10 part .. 20/10 part. ..	Lands at Matunga ..	1,006	..	755	..
2	6658 (1)p	25/10 part ..	Do.	36	..	33	..
3	6660 p. 6667 p.	16/10 part .. 34/10 part ..	Do.	866	..	812	..
4	6643 (1)p 6791 (1)p 6789 p. 6778 p. 6767 p.	134/10 part .. 134/10D part.	Do.	7,984	..	5,988	..
5	6675 p. 6680 p.	50/10 part ..	Do.	268	..	201	..
6	6675 p. 6680 p.	50/10 part ..	Do.	1,226	..	916	..
7	6675 p. 6680 p.	50/10 part ..	Do.	2,730	..	2,047	..
8	6826 p.	137/10 part ..	Do.	104	..	78	..
9	6830 p. 7199 p.	138/10 part .. 137/10 part ..	Do.	1,105	..	829	..
10	7174 p. 7172 p. 7171 (1)p 7234 p	149/10 part .. 144/10 part. 145/10 part. 146/10 part.	Do.	5,240	..	2,930	..
11	7235 (1)p 7235 (2)p 7235 (3)p	99/10 part .. 100/10 part. 101/10 part.	Do.	572	..	429	..
12	7242 p. 7236 p. 7237 p. 7250 p. 7249 p.	112/10 part. .. 113/10 part. 114/10 part. 116/10 part. 117/10 part.	Do.	2,349	..	1,762	..
13	7238 p. 7239 p.	111/10 part. .. 112/10 part.	Do.	300	..	225	..
14	7239 p. 7251 p. 7252 p. 7240 p.	110/10 part .. 111/10 part. 118/10 part. 119/10 part.	Do.	239	..	179	..
15	7252 p. 7254 p. 7255 p.	119/10 part .. 120/10 part. 121/10 part.	Do.	480	..	360	..
16	7188 p. 7121 (4)p	150/10 part .. 155/10 part.	Do.	4,196	..	6,293	..

SCHEDULE X—*contd.*

Plot No.	Ward No.	Cadastral Survey No.	Description.	Area Cadastral Survey.	Total area.	Value. Amount.	Value. Total amount.
				Sq. yds.	Sq. yds.	Rs.	Rs.
17	7121 (4)p 721, 7214 p.	161/10 part .. 156/10 part. 155/10 part.	Lands at Matunga ..	4,672	..	7,008	..
18	7124 p. 7109 7111 p.	160/10 part .. 159/10 part. 158/10 part. 161/10 part.	Do.	2,720	..	2,040	..
19	7116p.to 7120 p.	813/10 part ..	Do.	4,535	..	3,401	..
20	7113 p.	162/10 part ..	Do.	565	..	424	..
21	6835 (4)p	180/10 part ..	Do.	92	..	69	..
22	6835 (6)p 6835 (5)p 7053 p. 7032 p. 7049 p.	182/10 part .. 183/10 part .. 188/10 part. 189/10 part. 192/10 part.	Do.	11,154	..	16,731	..
23	7061 p.	199/10 part.	Do.	409	..	614	..
24	7063 p. 7061 (6)p 7061 (5)p 7067 p.	169/10 part .. 170/10 part. 171/10 part. 172/10 part.	Do.	3,401	..	5,101	..
25	7064 p.	292/10 part. .. 10 part.	Do.	170	..	255	..
26	7061 (1)p 7061 (2)p 7061 (3)p 7062 (2)p 7062 (1)p	208/10 part .. 207/10 part .. 209/10 part .. 210/10 part. 211/10 part.	Do.	2,916	..	4,375	..
27	7373 p. 7374 p.	10/10 part .. 5/10 part.	Do.	617	..	925	..
28	7384 (4)p	259/10 part ..	Do.	344	..	430	..
29	7384 (4)p 7386 (2)p 7388 (2)p	259/10 part .. 260/10 part. 261/10 part.	Do.	1,708	..	2,136	..
30	7388 (2)p	261/10 part. ..	Do.	90	..	68	..
31	7393 p. 7397 p.	262/10 part .. 268/0 part.	Do.	1,850	..	1,387	..
32	7397 p.	263/10 part ..	Do.	455	..	455	..
33	7694 p.	372/10 part ..	Do.	37	..	46	..
34	7631 p. 7633 p. 7634 p. 7635 p.	379/10 part .. 378/10 part. 377/10 part.	Do.	565	..	177	..
35	7924 p. 7792 p. 7828 p.	405/10 part .. 13/10 part. 396/10 part. 816/10 part.	Do.	940	..	294	..

SCHEDULE X—*concld.*

Plot No.	Ward No.	Cadastral Survey No.	Description.	Area Cadastral Survey.	Total area.	Value.	
						Amount.	Total amount.
				Sq. yds.	Sq. yds.	Rs.	Rs.
36	7827 p. 7826 p. 7825 p. 7796 p.	393/10 part .. 394/10 part. 395/10 part. 385/10 part. 384/10 part.	Lands at Matunga ..	2,180	..	681	..
37	7825 p.	385/10 part ..	Do.	92	..	92	..
38	7846 p. 7847 p. 7848 p. 7831 p.	389/10 part .. 390/10 part. 392/10 part. 391/10 part.	Do.	440	..	165	..
39	7798 p. 7779 p.	784/10 part .. 483/10 part.	Do.	485	..	728	..
40	6958 p. 7416 p. 7417 p. 7422 p. 7423 p. 7424 p.	756/10 part .. 757/10 part.	Do.	425	..	319	..
41	7410 p. 4711 p. 7016 p.to 7026 p. 7011 p.	755/10 part .. 754/10 part.	Do.	2,291	..	1,718	..
42	7027 p. 7028 p.	754/10 part ..	Do.	369	.. ..	277	..
43	7034 (1)p 7035 p. 7034 (2)	753/10 part .. 753/10 part.	Do.	804	..	2,814	..
44	7031 (1)p 7031 (1)p 6836 (1)p	693/10 part .. 692/10 part. 691/10 part.	Do.	1,186	..	1,779	..
45	6836 (1)p 6836 (2)p 6836 (3)p	691/10 part .. 690/10 part. 689/10 part.	Do.	2,572	..	3,858	..
46	7132 p. 7128 p. 7129 p. 7141 (1)p	615/10 part .. 614/10 part. 613/10 part.	Do.	2,093	..	1,570	..
47	7168 p.	515/10 part ..	Do.	260	..	195	..
48	6564 p. 6823 p.	511/10 ..	Do.	924	..	1,385	..
49	6816 p. 6819 (2)p 6595 p. 6579 p. 6580 p. 6800 p. 6801 p. 6804 p. 6806 p. 6794 p. 6589 p. 6623 (1)p 6815 p. 6813 p 6862.	800/10 part .. 814/10 part. 792/10 part .. 794/10 part of Matunga Division.	Do.	6,125	..	4,594	..
			Total, Lands at Matunga ..	..	86,187	..	90,984

SCHEDULE Y.

(See *Section 91A.*)

Plot No.	Ward No.	Cadastral Survey No.	Description.	Area Cadastral Survey.	Total area.	Value. Amount.	Value. Total amount.
				Sq. yds.	Sq. yds.	Rs.	Rs.
			THE NEPEAN SEA ROAD PLOT. (*Deposited Plan "A."*)				
1	..	2/583 (part of), Malabar Hill Division.	Bounded on the north-east by private property bearing Cadastral Survey No. 584; on the south-east by private property forming portion of this property bearing Cadastral Survey No. 583; on the south-west by private property bearing Cadastral Survey No. 582; and on the north-west by the Foreshore.	2,014	..	...	..
			Total, the Nepean Sea Road Plot.	..	2,014	..	..
			THE COLABA RECLAMATION (*Deposited Plan "B."*)				
2	..	82 to 86 parts of 87, 88, 188, 89 and 90, 91 to 97, parts of 98, 99, 100, 101 and 102, 103 to 105, 106 (part of) 107 to 111, 320, 321.	Bounded on the north-west by Cuffe Parade; on the south-west by Panday Road; on the north-east by the Junction of Cuffe Parade and Wodehouse Road; and on the south-east partly by an irregular line beyond which are situate the remaining portions of properties bearing Cadastral Survey Nos. 106, 102, 101, 100, 98, 99, 90, 89, 88, 1/88 and 87, and partly by Wodehouse Road, but excluding the sites of Khatau and Centre Roads, and of portions of Fazil and Kittridge Roads.	46,580	..	..	..
			Total, the Colaba Reclamation.	..	46,580	..	..

SCHEDULE Z.

(See *Section 354X.*)

Plot No.	Cadastral Survey No.	Locality.	Description of Plot.	Cadastral Survey Area.	Terms of Lease.
			(*Deposited Plan "A."*)	Sq. yds.	
1	707 .. .. Fort Division.	The Hornby Road Plot.	Bounded on the North by the John Connon High School bearing Cadastral Survey No. 706; on the South by Connon Road; on the East by Murzban Road; and on the West by Esplanade Road.	3,250	Ninety-nine years at a ground rent of one anna per sq. yard per annum, renewable for a further term of 99 years.

SCHEDULE ZZ.

(See *Section 91A.*)

Plot No.	Ward No.	Cadastral Survey No.	Description.	Area Cadastral Survey.	Total area.	Value.	
						Amount.	Total amount.
				Sq. yds.	Sq. yds.	Rs.	Rs.
			(*Deposited Plan "B."*)				
			Body Guard Lines.				
(1)*b* Part 1 (*d*-1) Part.	..	3/383 .. .. Tardeo Division.	Bounded on the north partly by plot 1 (*d*) 1 and partly by plot 1 (*b*); on the south by the junction of the 100 feet and 40 feet roads; on the east partly by the 40 feet road and partly by plot 1 (*b*); and on the west by the 100 feet road.	30,000	..	..	..
			THE COOPERAGE PLOT.				
			(*Deposited Plan "I."*)				
3	..	4, Fort Division.	Bounded on the North by the Band Stand Circle; on the South by Wodehouse Road; on the East by Cooperage Road and on the West by Queen's Parade Road but excluding 38 square yards bearing Cadastral Survey No. 13 on which stands the statue of the late Mr. Justice Ranade.	58,044	..	..	..

SCHEDULE ZZ—*contd.*

Plot No.	Ward No.	Cadastral Survey No.	Description.	Area Cadastral Survey.	Total area.	Value.	
						Amount.	Total amount.
				Sq.	Yds.	Rs.	Rs.
			THE MARINE LINES MAIDAN. (*Deposited Plan "J."*)				
4 (*b*)	..	709, Fort Division.	Bounded on the North partly by the South Boundary of "Government plot" bearing Cadastral Survey No. 728-C, reserved for Military purposes by Government Resolution No. 2-C. W. 4, dated 3rd January 1881, and partly by Cadastral Survey No. 725 of the Marine Lines Estate; on the East partly by Mayo Road, by the land belonging to the Corporation bearing Cadastral Survey No. 728; on the South by Church Gate Street; on the West partly by Marine Lines Road; (Marine Street) and partly by Plot No. 4A (Marine Lines Estate) but excluding the sites of the Gokhale and Montague Statues.	91,106	..	9,11,000	..

SCHEDULE AA.

(See *Section 110D.*)

FORM OF DEBENTURE.

The Trustees for the Improvement of the City of Bombay.

The 19 .

By virtue of the "The City of Bombay Improvement Trust Transfer Act, 1925" we, the Trustees for the Improvement of the City of Bombay, in consideration of the sum of Rupees paid to us by A.B. of , promise to pay to the said or order, the said sum of Rupees after the date hereof, together with interest at the rate of per centum per annum, payable half yearly on the day of and the day of

Given under our common seal this day of 19 .

Common seal.

(Signature of two members of the Committee and the Chief Officer.)

SCHEDULE BB.

(See *Section 123A.*)

Rules regulating the form of accounts relating to improvement schemes, etc., and the manner in which they shall be kept.

1. The Corporation shall keep a Capital Account and a General Account. There shall be credited to the Capital Account—

(*a*) all moneys received on account of loans taken by the Corporation for the improvement of the City or by the Board of Trustees under the City of Bombay Improvement Act, 1898, or the City of Bombay Improvement Trust Transfer Act, 1925, other than moneys temporarily borrowed in accordance with section 109C;

Bom. IV of 1898.
Bom. XVI of 1925.

I of 1894. (*b*) the proceeds of the sale or exchange of, or the compensation awarded under the Land Acquisition Act, 1894, for the acquisition by Government of any portion of the lands or buildings vested or vesting in the Corporation by reason of the transfer to them of the property of the Board of Trustees constituted under the City of Bombay Improvement Trust Transfer Act, 1925;

Bom. XVI of 1925.

(*c*) the proceeds of the sale or exchange of any movable property of the Corporation purchased by debit to the Capital Account;

(*d*) fines or premia levied on granting leases, and sums paid in composition or part composition of rents under leases;

(*e*) any surplus which the General Account shall disclose at the end of each financial year;

(*f*) any other sum granted by Government and directed by them to be credited thereto;

(*g*) any other sums which the Standing Committee with the previous approval of the Corporation, direct to be credited thereto.

2. The moneys credited to the Capital Account shall be held by the Corporation in trust and shall be applied to—

(1) meeting the costs of framing and executing schemes in accordance with this Act, including the costs of acquiring lands and the costs of constructing buildings required for carrying out any of the purposes of this Act;

(2) the repayment of all loans credited to the Capital Account;

(3) expenses connected with or arising from the flotation of loans;

(4) making good the deficit, if any, in the General Account, at the end of financial year, provided that the net aggregate amount which may be so debited to the Capital Account shall not exceed 20 per centum on the aggregate capital debt of the Corporation in respect of improvement of the City;

(5) advancing any sums necessary for the erection, equipment and maintenance of workshops, including tools and plant and transport equipment, required generally for the execution of any scheme under this Act;

(6) advancing loans in accordance with the provisions of section 354W.

3. The scheduled values of the lands specified in Schedules W and X shall be included in the Capital Account both under receipts and expenditure, the scheduled values of the lands resumed in any year being reduced from both sides of the said account in that year.

4. The Capital Account shall show the total expenditure (including a proportionate charge for the cost of management) incurred by the Corporation on each scheme separately, and shall also distinguish between the expenditure incurred on—

(*a*) the improvement of lands vested in the Corporation and specified in Schedule W;

(*b*) the improvement of lands vested in the Corporation and specified in Schedule X;

(*c*) lands referred to in Schedule Y.

5. There shall be credited to the General Account—

(1) all interest on the Corporation's investments including loans advanced under section 354W but not interest on securities in which the sinking fund balances are invested;

(2) all rents of lands vested in the Corporation.

(3) the net profit at the close of the year, if any, on sales of securities held by the Corporation;

(4) three times the actual net realizations of the Corporation in the preceding year under the head of General Tax or payments made in lieu of General Tax (including arrears and payments in advance) divided by the rate fixed for the General Tax for the said financial year;

(5) three quarters of the sum which may be granted by Government to the Corporation on account of the net receipts accruing to Government from the tobacco duty levied under section 2 of the Tobacco Duty (Town of Bombay) Act, 1857;

IV of 1857.

(6) all other receipts of the Corporation which are not required to be credited to the Capital Account.

6. (1) The moneys credited to the General Account shall be applied by the Corporation in payment of the following charges, namely:—

(*a*) all payments for interest and sinking fund charges due on account of any loan;

(*b*) the amount of the cost of management apportioned to General Account as provided in rule 8;

(*c*) all other sums due by the Corporation other than those required to be debited to the Capital Account.

(2) The surplus, if any, remaining at the end of each financial year after making the payments referred to in sub-rule (1), shall be credited to the Capital Account.

(3) On the recommendation of the Standing Committee, the Corporation may advance any sums standing to the credit of the General Revenue Account to meet current

Capital Expenditure, and the amount of any sums so advanced shall be adjusted in the accounts of the year in which such sums are advanced.

(4) There shall be debited to the General Account a sum of money equivalent to the sum which would have been payable by the Board of Trustees for the Improvement of the City of Bombay constituted under the City of Bombay Improvement Trust Transfer Act, 1925, if the City of Bombay Municipal (Amendment) Act, 1933, had not been passed, in respect of rates and taxes levied under this Act upon lands and buildings vested or vesting in the Corporation by reason of the transfer to the Corporation of the powers, duties, assets and liabilities of the said Board of Trustees. Bom. XVI of 1925.

7. The General Account shall distinguish between all items included in the General Account according as such items are in respect of—

(1) lands vested in the Corporation and specified in Schedule W;

(2) lands vested in the Corporation and specified in Schedule X;

(3) lands situate within the limits specified in Schedule Y;

(4) other lands and buildings vesting in the Corporation.

8. The net cost of management including—

(*a*) the salaries and allowances of the Deputy Municipal Commissioner (Improvements), the acting Deputy Municipal Commissioner (Improvements) and the scheduled staff and charges on account of establishment employed on duties transferred to the Corporation under the City of Bombay Municipal (Amendment) Act, 1933, or in cases where establishment is partly employed on such duties and partly on

others, a share of the cost of such establishment proportionate to the duties so transferred;

(*b*) the expenses in connection with the Land Acquisition Officer;

(*c*) pensions, gratuities and contributions by the Corporation to the Provident Fund;

(*d*) office expenses, cost of audit, expenses of management of debt, losses on investments and other incidental expenses;

shall, in the first instances, be debited to the General Account and shall be apportioned at the close of each financial year between the Capital Account and the General Account in such proportion as the Standing Committee shall determine.

SCHEDULE CC.

(See *Section 354S.*)

Portions of the Land Acquisition Act, 1894, regulating the acquisition of land for improvement purposes.

Part I—Preliminary, except clauses (*e*) and (*f*) of section 3.

Part II—Acquisition, except sub-section (*1*) of section 4, section 6 and sub-section (*2*) of section 17.

Part III—Reference to Court and Procedure thereon except sub-section (*2*) of section 23 and clauses (*6*) and (*7*) of section 24.

Part IV—Apportionment of compensation.

Part V—Payment.

Part VI—Temporary occupation of land.

Part VIII—Miscellaneous.

SCHEDULE DD.

(See *Section 354S.*)

Scale of Additional Compensation for compulsory acquisition for improvement purposes.

Amount of compensation awarded.	Percentage to be allowed in addition under section 354S.
Not exceeding ten thousand rupees, or, if the amount exceed ten thousand rupees for the first ten thousand.	Six per cent.
Exceeding ten thousand, but not exceeding fifty thousand, for the amount by which it exceeds ten thousand.	Four per cent.
Exceeding fifty thousand rupees, but not exceeding one lakh, for the amount by which it exceeds fifty thousand.	Three per cent.
Exceeding one lakh, for the amount by which it exceeds one lakh.	Two and a half per cent.

Provision regarding pending cases.

38. Notwithstanding anything contained in sections 90, 354S, 354T and 354U of the said Act and in section 40 of this Act, in respect of appeals made to the High Court under the City of Bombay Improvement Act, 1898, or the City of Bombay Improvement Trust Transfer Act, 1925, before the date on which this Act comes into operation, the High Court shall continue to perform the functions assigned to it under the aforesaid Acts and every such appeal shall, so far as may be, be decided in accordance with the provisions of the aforesaid Acts as if this Act had not been passed.

Bom. IV of 1898.
Bom. XVI of 1925.

Further provision regarding pending references.

39. All references, moneys, securities, properties, papers, documents, vouchers, books, records and proceedings transferred to the High Court under section 66A of the City of Bombay Improvement Trust Transfer Act, 1925,

Bom. XVI of 1925.

shall be disposed of by the High Court, as nearly as may be, in accordance with the provisions of that Act and the provisions of that Act shall, so far as may be, apply to them, as if they had been made, held or controlled in accordance with that Act and as if this Act had not been passed.

Officers and servants of the Board to become municipal officers and servants.

Bom. IV of 1898. Bom. XVI of 1925.

40. (*1*) From the date on which this Act comes into operation every officer and servant of the Board constituted under the City of Bombay Improvement Act, 1898, or the City of Bombay Improvement Trust Transfer Act, 1925, shall be deemed to be for all purposes a municipal officer or servant and the designations, grades, salaries, fees and allowances of such officers and servants shall be deemed to have been duly sanctioned under section 79 of the City of Bombay Municipal Act, 1888, and the provisions of the said Act and of any regulations made thereunder relating to municipal officers and servants shall apply to all such officers and servants as if they had been appointed under the said Act :

Bom. III of 1888.

Provided that such officers and servants shall not be entitled to claim the benefit of any pension or special leave admissible under the pension rules or leave rules of the Corporation.

(*2*) Any officer or servant of the said Board who has been in the service of the Board for a period of not less than five years before the date on which this Act comes into operation shall be entitled in case of retirement within two years from the date of the passing of this Act, to all the benefits of the rules regarding leave in force at the date of the passing of this Act, and to draw his share of the said Board's contribution to the provident fund.

(3) The person holding the office of Chief Officer under section 26 of the City of Bombay Improvement Trust Transfer Act, 1925, at the commencement of the City of Bombay Municipal (Amendment) Act, 1933, shall, so long as he continues to be the Deputy Municipal Commissioner (Improvements) under the provisions of sub-section (4) of section 56A, in all matters of leave and provident fund continue to be governed by the terms and conditions of his appointment as such Chief Officer and be entitled to the benefits thereof.

Leave and provident fund of Chief Officer appointed Deputy Municipal Commissioner (Improvements).

Bom. XVI of 1925.

(4) If the said person be appointed Deputy Municipal Commissioner (Improvements) under sub-section (1) of section 56A, he shall, in all matters of leave and provident fund, be deemed to have been subject from the date of his appointment as Chief Officer to the rules to which he would have been subject had he been appointed on the said date a Deputy Commissioner under this Act and to be entitled to the benefits thereof.

41. Notwithstanding anything contained in the said Act, the Commissioner, in addition to the sum payable to the Board of Trustees for the Improvement of the City of Bombay under section 84 of the City of Bombay Improvement Trust Transfer Act, 1925, shall in the municipal accounts, under a separate heading, credit to the accounts of the property vested or vesting in the Corporation and of the receipts and expenditure of the Corporation on account of the transfer to them of the powers, duties, assets and liabilities of the Board of Trustees for the Improvement of the City of Bombay constituted under the City of Bombay Improvement Trust

Transitory provisions.

Bom. XVI of 1925.

Bom. XVI of 1925.

Transfer Act, 1925, and in the manner prescribed in section 123A of the said Act :—

(*i*) a sum equal to the amount of the actual net realizations of the Corporation for the financial year 1932-33 under the head of general tax or payments made in lieu of general tax (including arrears and payments in advance) divided by the rate fixed for the general tax for the said financial year ; and

(*ii*) a sum equal to three-fourths of the net receipts from the tobacco duty levied under section 2 of the Tobacco Duty (Town of Bombay) Act, 1857, from the 19th day of March 1932 until the 31st day of March 1934 (both days inclusive).

IV of 1857.

42. The enactments specified in the Appendix are hereby repealed to the extent mentioned in the fourth column thereof ;

Repeal.

Provided that—

(*a*) the said repeal shall not affect the validity or invalidity of anything already done under the said Act or under the City of Bombay Improvement Act, 1898 ;

Bom. IV of 1898.

(*b*) the said repeal shall not affect any appeal made to the High Court from any award or any part of the award of the Tribunal of Appeal under sub-section (*11*) of section 48 of the City of Bombay Improvement Act, 1898, before the date on which this Act comes into operation ; but every such appeal shall, so far as may be, be decided by the High Court in accordance with the provisions of the City of Bombay Improvement Act, 1898, as supplemented by Act, XIV of 1904 as if this Act had not been passed ;

Bom. IV of 1898.

Bom. IV of 1898.

(*c*) all appointments, rules, orders and by-laws made, notifications and notices issued, rents, premia, and fees imposed, contracts entered into and suits and other proceedings instituted under the City of Bombay Improvement Act, 1898, and the City of Bombay Improvement Trust Transfer Act, 1925, shall, so far as may be, be deemed to have been respectively made, issued, imposed, entered into and instituted under the City of Bombay Municipal Act, 1888, as amended by this Act; Bom. IV of 1898. Bom. XVI of 1925. Bom. III of 1888.

(*d*) all debts and obligations incurred, all contracts entered into and all matters and things engaged to be done by, with or for the Board of Trustees constituted under the City of Bombay Improvement Act, 1898, or of the City of Bombay Improvement Trust Transfer Act, 1925, before this Act comes into operation shall be deemed to have been incurred, entered into or engaged to be done by, with or for the Municipal Corporation of the City of Bombay; Bom. IV of 1898. Bom. XVI of 1925.

(*e*) sections 42 to 51 inclusive of the City of Bombay Improvement Trust Transfer Act, 1925, shall continue to have effect, so far as applicable, with respect to all Poorer Classes Accommodation Schemes duly sanctioned in accordance with the provisions of the City of Bombay Improvement Act, 1898, or the City of Bombay Improvement Trust Transfer Act, 1925, before the date on which the City of Bombay Municipal (Amendment) Act, 1933, comes into operation, provided that references in the said sections to the committee and to the Board shall be deemed to be references to the Improvements Committee constituted under the City of Bombay Municipal Act, 1888, as amended by the City of Bombay Municipal (Amendment) Act, 1933, and to the Municipal Corporation of the City of Bombay respectively. Bom. XVI of 1925. Bom. XVI of 1925. Bom. IV of 1898. Bom. III of 1888.

Nothing in this Act shall affect any present right of appeal which may have accrued to any party before the date on which this Act comes into operation.

APPENDIX.

ENACTMENTS REPEALED.

(See *Section 42.*)

Year.	No.	Short title.	Extent of repeal.
1898 ..	I	The City of Bombay Municipal Investments Act, 1898.	Sections 2 and 3.
1925 ..	XVI	The City of Bombay Improvement Trust Transfer Act, 1925.	The whole.
1927 ..	IV	The City of Bombay Improvement Trust Transfer (Amendment) Act, 1927.	Do.
1927 ..	V	The City of Bombay Improvement Trust Transfer (Amendment No. 2) Act, 1927.	Do.
1928 ..	VI	The City of Bombay Improvement Trust Transfer (Amendment) Act, 1928.	Do.
1931 ..	XI	The City of Bombay Improvement Trust Transfer (Amendment) Act, 1931.	Do.
1931 ..	XXI	The City of Bombay Municipal and Improvement Trust Transfer (Amendment) Act, 1931.	In section 1 the words "and Improvement Trust Transfer." Section 3.
1931 ..	XXIV	The City of Bombay Improvement Trust Transfer (Second Amendment) Act, 1931.	The whole.

TOBACCO DUTY (TOWN OF BOMBAY) AMENDMENT ACT.

BOMBAY ACT No. XIV OF 1933.

(First published, after having received the assent of the Governor General, in the "Bombay Government Gazette" on the 28th September 1933.)

An Act further to amend the Tobacco Duty (Town of Bombay) Act, 1857.

WHEREAS it is expedient further to amend the Tobacco Duty (Town of Bombay) Act, 1857, for the purposes hereinafter appearing; And whereas the previous sanction of the Governor required under section 80C of the Government of India Act has been obtained for the passing of this Act; It is hereby enacted as follows:— Bom. IV of 1857. 5 & 6 Geo. V, c. 61.

Short title and commencement.

1. (*1*) This Act may be called the Tobacco Duty (Town of Bombay) Amendment Act, 1933.

(*2*) It shall come into force on the first day of October 1933.

Insertion of a new section after section 3 of Bom. IV of 1857.

2. After section 3 of the Tobacco Duty (Town of Bombay) Act, 1857, hereinafter referred to as "the said Act," the following shall be inserted namely:— Bom. IV of 1857.

Power of the Commissioner of Excise to appoint public warehouses and to license warehouses.

"3A. The Commissioner of Excise may appoint public warehouses and, on payment of such fees and subject to such terms and conditions as may be prescribed by him by general or special order, may license warehouses wherein tobacco may be warehoused without payment of the municipal duty on the importation thereof and may cancel any such appointment or licence."

Insertion of a new section after section 4 of Bom. IV of 1857.

3. After section 4 of the said Act the following shall be inserted, namely :—

. . . . . .

"4A. When tobacco removed from a public or licensed warehouse for consumption in the said town on payment of the municipal duty under section 4, is re-exported to any place beyond the limits of the said town, seven-eights of such duty paid shall be re-paid as drawback in the manner and subject to such conditions as may be prescribed by rules made by the Commissioner of Excise in this behalf."

Drawback allowable on re-export.

Insertion of new sections after section 20 of Bom. IV of 1857.

4. After section 20 of the said Act, the following shall be inserted, namely :—

"20A. Rules made under this Act shall be subject to previous publication.

Publication of rules.

20B. The powers and authorities conferred on the Commissioner of Customs, Salt and Opium and the officers of customs under the provisions of this Act are hereby conferred on and shall be exercised respectively by the Commissioner of Excise and such officers as Government may from time to time by general or special order appoint in this behalf; and the duties imposed on the Commissioner of Customs, Salt and Opium and the officers of customs under the provisions of this Act are hereby imposed on and shall be performed respectively by the Commissioner of Excise and the officers appointed by Government; and references in this Act to the Commissioner of Customs, Salt and Opium and the officers of customs shall be deemed references to the Commissioner of Excise and the officers appointed by Government respectively."

The Commissioner of Excise and other officers appointed by Government to exercise powers and perform duties of the Commissioner of Customs, Salt and Opium and Customs officers.

Amendment of section 21 of Bom. IV of 1857.

5. In section 21 of the said Act, after the word "females," the following paragraph shall be added, namely :—

"The words 'the Commissioner of Excise' shall mean the officer appointed by Government for the time being to be the Commissioner of Excise."

PRESIDENCY TOWNS INSOLVENCY (BOMBAY AMENDMENT) ACT.

BOMBAY ACT No. XX OF 1933.

(First published, after having received the assent of the Governor General, in the "Bombay Government Gazette" on the 27th October 1933.)

An Act to amend the Presidency-towns Insolvency Act, 1909, in its application to the Presidency-town of Bombay.

WHEREAS it is expedient to amend the Presidency-towns Insolvency Act, 1909, in its application to the Presidency-town of Bombay for the purposes hereinafter appearing; III of 1909.

And whereas the previous sanction of the Governor General required by sub-section (*3*) of section 80-A of the Government of India Act and the previous sanction of the Governor required by section 80-C of the said Act have been obtained for the passing of this Act; 5 & 6 Geo. V, c. 61.

It is hereby enacted as follows :—

Short title and extent.

1. (*1*) This Act may be called the Presidency-towns Insolvency (Bombay Amendment) Act, 1933.

(*2*) It extends to the Presidency-town of Bombay.

Amendment of section 74 of Act III of 1909.

2. In section 74 of the Presidency-towns Insolvency Act, 1909, in its application to the Presidency-town of Bombay, hereinafter referred to as "the said Act" for the words "it, and also to pay out of his own money III of 1909.

interest thereon" the words "such dividend and interest thereon" shall be substituted.

Insertion of new section 77A in Act III of 1909.

3. After section 77 of the said Act, the following section shall be inserted, namely :—

"77A. The Official Assignee shall be a corporation sole by the name of the Official Assignee of Bombay, and as such Official Assignee shall have perpetual succession, and an official seal and may sue and be sued in his corporate name and may do all acts necessary or expedient to be done in the execution of his office."

Official Assignee to be corporation sole.

Amendment of section 82 of Act III of 1909.

4. For section 82 of the said Act, the following section shall be substituted, namely :—

"82. The revenues of the local Government shall be liable to make good all sums required to discharge any liability which the Official Assignee may be liable to discharge, except when such liability is one to which neither the Official Assignee nor any of his officers has in any way contributed or which neither he nor any of his officers could, by the exercise of reasonable diligence, have averted and in either of these cases the Official Assignee shall not, nor shall the revenues of the local Government, be subject to any liabilities."

Liability of Government.

Amendment of section 83 of Act III of 1909.

5. For section 83 of the said Act, the following section shall be substituted, namely :—

"83. In all suits or proceedings by or against the Official Assignee, there shall be inserted after his official title, the description 'as assignee of the property of an insolvent (naming the particular insolvent).'"

Description by which Official Assignee to be mentioned in suits or proceedings.

Amendment of section 112 of Act III of 1909.

6. In sub-section (*2*) of section 112 of the said Act :—

'(*i*) for clause (*d*), the following clause shall be substituted, namely :—

" (*d*) the remuneration of the Official Assignee and the Deputy Official Assignee and the amount and nature of security to be furnished by them for the discharge of their duties ";

(*ii*) in clause (*f*), after the word " audit " the words " and inspection " shall be inserted ;

(*iii*) clause (*g*) shall be deleted ;

(*iv*) in clause (*h*), the words " out of the proceeds aforesaid " shall be deleted ; and

(*v*) to clause (*i*), the words " or otherwise in his official capacity " shall be added.

Insertion of a new section 121A in Act III of 1909.

7. After section 121 of the said Act, the following section shall be inserted, namely :—

Transfer of certain funds to Government.

" 121A. The sums and securities standing to the credit of—

(*1*) the Unclaimed Dividend (Capital) Accounts less the sum of Rs. 50,000,

(*2*) the Unclaimed Dividend Revenue Account less the sum of Rs. 25,000,

(*3*) the Chief Clerk and Sealer's (Insolvent Debtors' Court) Investment of Unclaimed Balances Account less the sum of Rs. 20,000 and

(*4*) the Chief Clerk and Sealer's (Insolvent Debtors' Court) Investment of Interest Account, with the High

Court of Judicature, Bombay, are hereby transferred to the local Government:

Provided that the revenues of the local Government shall be liable to make good all sums required to meet the claims upon the said sums and securities of person entitled thereto."

Amendment of section 122 of Act III of 1909.

8. In section 122 of the said Act—

(*i*) for the word "prescribed" the words "determined by the local Government" shall be substituted; and

(*ii*) for the words "the Government of India" the words "local Government" shall be substituted.

Amendment of section 123 of Act III of 1909.

9. In section 123 of the said Act, for the words "Government of India" where they occur at both the places and for the words "Governor General in Council" the words "local Government" shall be substituted.

Insertion of new section 123A in Act III of 1909.

10. After section 123 of the said Act, the following section shall be inserted namely:—

Government to determine the amount to be set apart and the sums to be transferred out of certain accounts.

"123A. The local Government may from time to time after consultation with the High Court of Judicature, Bombay,—

(1) determine the amount to be set apart out of—

(*i*) the Unclaimed Dividend (Capital) Account, and

(*ii*) the Chief Clerk and Sealer's (Insolvent Debtors' Court) Investment of Unclaimed Balances account, for meeting the claims of creditors or debtors made within the period specified in section 122, and

(2) transfer sums to the revenues of the local Government from—

(i) the Unclaimed Dividend (Capital) Account,

(ii) the Unclaimed Dividend Revenue Account,

(iii) the Chief Clerk and Sealer's (Insolvent Debtors' Court) Investment of Unclaimed Balances Account, and

(iv) the Chief Clerk and Sealer's (Insolvent Debtors' Court) Investment of Interest Account."

Repeal. **11.** The provisions of the said Act specified in Schedule I hereto annexed shall be repealed.

SCHEDULE I.

(*Provisions repealed.*)

(Section 11.)

Sections 61, 68 (2), 84 and 87 (3).

THE BUDGET.

Extract from the proceedings of a meeting of the Legislative Assembly, held in New Delhi, on Tuesday, 27th February 1934.

Speech by the Hon'ble Finance Member on introducing the Budget Proposals for 1934-35.

Once more a year has passed, and it falls to me to give an account of India's financial administration and to present proposals for the coming year.

2. This is the last occasion on which I shall do so and for this reason it seems appropriate to take stock of the course of financial affairs during the past few years and to present the proposals for the current year in relation to a somewhat wider background than usual. I propose to do this not merely because this year marks the last chapter in the story of a particular Finance Member, but also because I have certain proposals to make this year which can only be properly understood in this wider setting.

3. I need hardly take time in describing the painfully well known features of what has happened to the world since the end of 1929, when we entered into the severest period of economic disturbance and depression which our modern system has experienced , and during which all countries have been faced with almost insoluble difficulties and tasks of readjustment as regards their public finance. I will only deal briefly with a few salient facts. As a measure of India's difficulties I may remind the House that whereas in the 10 years ending March 31, 1930, the value of India's exports and re-exports of merchandise averaged just under 326 crores, in 1930-31 that fell to just under 226 crores, in 1931-32 to about 160 crores, and in 1932-33 to 135½. Imports of merchandise though they did not fall quite in the same proportion as exports, owing to the well known fact that private gold exports gave India a supplementary purchasing power, nevertheless fell very steeply from an average of 242 crores for the ten years ending March 31, 1930 to 163 crores in 1930-31, 125 crores in 1931-32 and 132 crores in 1932-33. In view of the extent to which we rely on customs import duties for revenue, the effects of this enormous drop must be obvious. At the same time our other main source of tax revenue—income tax—was heavily cut into. I may give one simple index of this fall. Taking the head of income assessable as " profits", the annual profits of companies and registered firms in India which averaged over 53 crores in the eight years ending March 31, 1930 fell to under 29 crores in 1932-33. Simultaneously with this crumbling of the foundations of our tax revenue, there has been a heavy drop in non-tax revenue ; and I would invite the attention of those interested in this matter to the analytical tables published at the beginning of the Finance Secretary's Memorandum. Non-tax revenue, which in 1923-24 was Rs. 30½ crores, had fallen in 1929-30 to

Rs. 19½ crores and for 1934-35 is down to Rs. 5¼ crores. This has of course put a heavy strain on tax revenue. Lastly, we have had at the same time to face serious losses of customs import duties for reasons other than the economic depressions namely, as a result of the operation of protective policies, especially as regards cotton piece-goods and sugar.

4. The story of how these developments were reflected in India's public finances has been told from year to year in my budget speeches. At the outset revenue was falling away too rapidly for us to keep pace with the situation, and in 1930-31 and 1931-32 we incurred deficits which were larger than the amount set aside each year for the reduction of debt. In the middle of the latter year, however, we took drastic emergency measures by way of retrenchment, cuts in pay, and taxation, the objective of which was that the position should be so restored by March 31, 1933 as not only to produce equilibrium for the future, but to create a soundly balanced position for the two years 1931-32 and 1932-33 combined. These steps, as I recorded in my budget speech last year, fully succeeded in their object, and I may briefly remind the House of the figures as now shown in the final accounts.

The actual result for 1932-33 is tnat after providing 6,84 lakhs for Reduction of Debt there was a surplus of 1,55 lakhs, so that without taking into account Reduction of Debt the excess of receipts over outgoings was 8,39 lakhs. As in 1931-32 the corresponding figure had been a deficiency of 4,86 lakhs, the net result is that over the two years combined we not only paid our way so far as budgetary income and expenditure is concerned, but in addition provided a sum of 3,53 lakhs for Reduction of Debt.

5. *Current year, 1933-34.*—How then are we faring in the current year ? Our revised estimates show that, leaving

out of account the Reduction of Debt provision, we shall have a surplus of 4,29 lakhs. In the budget estimates we had hoped for a surplus of 25 lakhs after providing 6,88 lakhs for Reduction of Debt, so that the net result is 2,84 lakhs less favourable than our estimates. This deterioration is accounted for by a drop of 5,04 lakhs on revenue, partly balanced by a saving of 2,20 lakhs on expenditure. The full figures are as follows :—

	Budget, 1933-34.	Revised, 1933-34.
Total Revenue	124,35	119,31
Expenditure (exclusive of Reduction of Debt) ..	117,22	115,02
Balance ..	+7,13	+4,29
Provision for Reduction of Debt	6,88	
Final Balance ..	+25	

6. The explanation of the falling off of revenue is simple, and in some respects not so unsatisfactory as the figures themselves would appear to indicate. The chief differences which I need deal with in this general account are a deficiency on the estimates of 4,38 lakhs under Customs and 93 lakhs under Income Tax. As regards Customs, last year I made it quite clear that it was impossible in the entirely abnormal conditions then prevailing to find any reliable basis for forecasting customs receipts , and I therefore framed my estimates on the assumption that the conditions of the previous year as regards exports and imports of merchandise would be repeated, subject to allowance of a drop of about 1 crore in import duties to cover decreases in sugar import duty due to the growth of Indian production and in the cotton piece-goods duty where the figures for 1932-33 had to be regarded as abnormal. The results have proved that we did not allow enough for these changes. The effects of the development of the sugar industry in India have been felt more rapidly than wea nticipated, and we now expect to be 1,10 lakhs short of our estimates on sugar while as regards cotton piece-goods and other textile it is now clear that the receipts for

1932-33 were entirely abnormal, and we estimate that the duties on the whole range of textile fabrics and yarn will be 2,67 lakhs less than the budget estimate and 3,63 lakhs less than the actuals for 1932-33.*

Apart from the shortfall under these two heads, which account for the greater part of the drop, there has been a slight falling off under a number of other heads.

There is some consolation to be drawn from these results. The falling off in imports of sugar and textiles at least means that Indian producers have had a greater share in the home market, while as regards the general falling off in imports this has been balanced by a substantial increase in exports and a satisfactory feature is that as a result of these changes India is moving back towards her normal favourable balance of trade in merchandise and is thus diminishing her reliance on gold exports in order to maintain an even keel. The position in this respect is interesting and significant. Last year in the 9 months to December exports of merchandise (including re-exports) amounted to 99 crores and imports of merchandise to 102 crores, thus showing an adverse balance of 3 crores. For the same period this year exports have been 111 crores and imports 85 crores thus showing a favourable balance of 26 crores, and an increase in exports of 12 crores combined with a decline in imports of 17 crores.

7. Turning to the other decreases in revenue, I have mentioned income-tax where we expect to fall short of our estimates by 93 lakhs, and all one can say about this is that it is unhappily an illustration of the depth of the general depression.

8. As to the other heads of revenue, I need not comment at length. Net receipts from Opium are up by 24 lakhs (gross 39) owing to exports of provision opium being larger than anticipated.

* The course of revenue receipts over the last few years under this important head is interesting as brought out in the following summary :—

Summary of receipts from Customs import duties on textile fabrics and yarn.

(In lakhs of rupees.)

Number of article in Customs Revenue Statement.	———	1928-29.	1929-30.	1930-31.	1931-32.	1932-33.	Budget, 1933-34.	Revised, 1933-34.	Budget, 1934-35.
		Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
16	Artificial silk yarn and thread	10	7	7	11	17	20	14	15
17	Cotton yarn and thread	46	45	30	37	55	48	40	45
17A	Artificial silk piece-goods (other than fents)	..	..	..	..	..	90	70	70
18	Silk and artificial silk mixtures	8	8	5	18	48	45	42	42
29	Yarn and textile fabrics not liable to preferential rates of duty	1,75	1,59	99	1,11	1,36	95	75	1,00
32	Silk piece-goods and manufactures of silk and artificial silk not otherwise specified	88	79	50	1,07	2,55	1,60	1,20	1,20
42-45	Cotton piece-goods	6,04	5,84	3,73	3,71	6,53	6,10	4,40	4,25
	Total of all the above items	9,31	8,82	5,64	6,55	11,64	10,68	8,01	8,17
53	Haberdashery and millinery	..	..	..	..	..	.25	.15	15
	Grand Total ..	..	..	..	..	..	10,93	8,16	8,32

Interest and Currency and Mint receipts are down by 23 lakhs and 51 lakhs, respectively, due to the lower rates of interest prevailing—the latter of course being balanced by a reduction in interest paid. As against this we have had a windfall under the head of Extraordinary Receipts of 33 lakhs due to the repayment of a pre-war debt by the Persian Government.

The position as regards revenue may be summarised as follows:—

Summary of main differences between Revised Estimates, 1933-34 and Budget Estimates.

	+Better,	—Worse.
Customs		4,38
Taxes on Income		93
Salt		20
Opium receipts (gross)	39	..
Interest receipts		23
Currency and Mint receipts		51
Other heads	82	..
	1,21	6,25
	—5,04	

9. *Expenditure, 1933-34.*—As regards expenditure, I need not say much at this stage. The saving over our budget estimates of 2,20 lakhs is due mainly to two causes, first the receipt of 1,78 lakhs on account of the payments from His Majesty's Government towards the Defence budget following the Capitation Tribunal award, and secondly the non-payment of 88 lakhs interest on war debt for which we had provided in the budget.

10. I shall have more to say on the significance of those various changes at a later stage. For the moment, before

I come to my proposals for next year, I want to turn to a review of the effects of our policy during the past three years, that is to say, since the real crisis began.

As to the budgetary position, the figures which I have already given amount to this, that during these three years we shall have met all our current expenditure out of revenue and realised a total surplus balance of nearly Rs. 8 crores which had gone to swell our balances and reduce our debt (3,53 lakhs in 1931-32 and 1932-33 combined and 4,29 lakhs in 1933-34).

The figures may be conveniently summarised as follows :—

	Rs. Crores.		
	1931-32.	1932-33.	1933-34 (Revised Estimate).
	Rs.	Rs.	Rs.
Revenue	121.64	126.40	119.31
Expenditure (exclusive of Debt Reduction provision)	126.50	118.01	115.02
Balance ..	—4.86	+8.39	+4.29

11. This soundness in our budgetary policy has enabled us to effect a striking improvement in our general position. When the crisis of September 1931 came upon us we were in a very vulnerable condition for two reasons, first, our external currency reserves were unduly low, and secondly, we had a dangerous load of floating and short term debt hanging over us. As to currency reserves, the gold and sterling securities (and I shall take gold at the old parity throughout this comparison) in the Paper Currency and Gold Standard Reserves amounted on September 21, 1931

to 57.82 crores against a note issue of 146 crores, or a proportion of 40 per cent. On March 31, 1934, we estimate that the position will be gold and sterling securities 106 crores, note issue 178 crores, percentage 60 per cent. There has thus been an increase in the value of our external reserves since the crisis began of 48.17 crores (leaving out of account the potential profit on gold which at present amounts to a hidden reserve of 27 crores).

12. Now let us consider the floating and short term debt position. At the end of September 1931, our total debt maturing within five years was :—

		Crores. Rs.
(*i*)	Rupee Treasury Bills (with the public and in the Paper Currency Reserve).	80.78
(*ii*)	Rupee Loans	165.77
(*iii*)	Sterling Loans	90.00
	Total ..	336.55

of which there was due to mature in 12 months.

		Crores. Rs.
(*i*)	Above	80.78
	out of (*iii*) above	20.00
	Total	100.78

As compared with this the position on March 31, 1934, will be as follows :—

		Crores. Rs.
(*i*)	Rupee Treasury Bills (with the public and in the Paper Currency Reserve).	47.75
(*ii*)	Rupee Loans	79.21
(*iii*)	Sterling Loans	39.00
	Total ..	165.96

of which there will be due to mature within twelve months :—

(*i*)	above	47.75
(*ii*)	above	13.00
	Total ..	60.75

The net result is that the near maturities will have been reduced by 170.59 crores, out of which immediate liabilities will have been reduced by 40 crores.

13. In order to complete the picture as regards debt and our capital position generally and to bring out the improvement which has been effected in the last three years, it is also necessary to consider the reduction of interest charges.

The position in this respect is complicated and it is difficult to give a simple comparison to show the effects of our recent conversion operations and the improvement of our credit ; for there are various complicating factors to take into account. There is the actual direct saving of interest on conversion operations, the effects of which are not fully revealed in our own budget because our policy is to give a proportionate part of the benefit to the Railways, the Provincial Governments, etc., on whose behalf we have raised our loans.

Then of course there is a substantial saving due not to loan conversion operations in the strict sense, but to the cheaper rates for Treasury Bills which have been produced by our policy. As against this some of the very changes which have made our position stronger, the funding of floating debt and the increasing of Treasury balances and sterling currency reserves, actually cost us money in increased interest charges or loss of interest receipts, for naturally we have to pay higher rates on permanent loans than on Treasury Bills, while we cannot earn the same rates on

balances held in London as we have to pay on Treasury Bills in India.

Again, as a factor which has offset some of the benefit gained, there is an automatic increase in the rates debitable to the budget on Post Office Cash certificates next year to which I will refer again.

Lastly, I must mention that in comparing one year with another just now one must take into account the debt payments. It so happens however that in the comparison which I am about to make between 1931-32 and 1934-35 the provision for war loan payments was almost exactly the same (56 lakhs in 1931-32 and 58 lakhs in 1934-35).

Subject to these remarks I can give the following figures, indicating the improvement effected since 1931-32 :—

	Crores. Rs.
The net interest charges in the Central Budget in 1931-32 were	12.83
for 1934-35 we estimate them at ..	10.34
So that there is a direct saving of	2.49
In addition to this we have given a saving on interest to the Railways as a result of our lower borrowing rates of	1.36
to the Provinces of	.34
and to the Posts and Telegraphs Department of	.03
Total ..	4.22

The total saving, therefore, to the Central Government, the Railways, Posts and Telegraphs and Provinces is 4,22 lakhs. But in order to complete the comparison we must also take into account the cost of strengthening our position by funding floating debt and holding larger balances. I estimate that if we reverted to the 1931 position as regards balances and amount of debt represented by Treasury Bills, we should now have to pay 99 lakhs per annum less than we are actually allowing for.

It is fair then to say that the results of our loan policy during the last three years represents a net improvement all round of about 5¼ crores per annum.

14. I have given the foregoing review of the position as regards the public debt, credit and currency reserves for a special reason, and I will mention this at once, for it is necessary to do so at this stage in my speech in order to explain how we propose to deal with the current year's accounts, and what is our plan for next year. We have come to the conclusion after weighing most carefully all the issues, that we have so strengthened our general financial position that in these times of special difficulty it is not necessary to strain the tax revenue in order to maintain our provision for Reduction and Avoidance of Debt at the full level fixed by the present convention. I would remind Honourable Members that this convention was settled in 1924 and laid down that in respect of all debt incurred up-to March 31, 1923, a fixed sum of Rs. 4 crores should be set aside, and that on all debt incurred thereafter (other than debt for advances to the Provinces which make their own provision for repayment) a sum of 1¼ per cent. should be provided. This scheme has meant that the budgetary provision for reduction of debt has increased from 3,78 lakhs in 1924-25 to 6,89 lakhs in the

current year. Now although the provision has automatically grown to this onerous degree since 1929 the actual debt position has become sounder and the net burden lighter. While gross figures of the Government's indebtedness have increased, the value of the productive assets held against that debt have increased by more than the same amount. On March 31, 1924, the total indebtedness of the Government of India was 919 crores, on March 31, 1934, the corresponding figure will be about 1,213 crores, an increase of 294 crores. But in the same period the interest-bearing assets of the Government will have increased by 314 crores, namely, from 664 to 978. And at the same time the net annual burden of interest has been substantially reduced. In the year 1924-25 the net charge to the budget for Interest on Debt (that is to say, interest paid less interest received, was just under 15 crores, while for next year the net charge will be less than 10½ crores. It is necessary to explain these facts in order that the position may be fully appreciated. The burden of the debt reduction provision has become especially heavy in recent years for the following reasons. The main portion of our debt represents advances to the Railways. So long as the Railways were paying to the Government a general contribution over and above the interest due from them that represented something which could be fairly set off against the debt reduction provision. But when the Government is receiving no contribution, and when at the same time the Railways are, through their depreciation fund, maintaining their capital assets at their full value, one must ask whether it is reasonable or even advantageous to make the attempt to raise tax revenue sufficient to meet the full provision.

15. It is impossible for me in a speech which has to cover so many matters to deal fully with all the considerations which are relevant to a discussion of these questions. The

practical point which will interest the House is that we have come to the conclusion that it will be adequate if for the present we maintain our annual provision for the Reduction and Avoidance of Debt at 3 crores. I deliberately avoid any commitment as to what the permanent basis for the future should be, or for how long this proposed provisional arrangement should continue. There are a number of possible ways in which the situation can be treated. For example, it might be provided that advances made to the Railways and Commercial Departments of the Government of India should always be made on terms which cover not only the interest charges which the Government of India itself has to incur, but also a proper provision for amortisation. That is the arrangement which we already have with loans to the Provincial Governments and to the Indian States. If that were done the present scheme for a Railway contribution might be taken into account as covering the amortisation of Railway debt. If the matter is looked at in this way and the amortisation of Railway debts is regarded as suspended until there is some recovery from the present abnormal depression, it will I think be generally recognised that a provision of 3 crores annually against the uncovered debt of the Government of India which amounts only to about 200 crores is a very substantial sum. We propose that the change which I have described should apply to the current year 1933-34 as well as to next year 1934-35. This means that after providing 3 crores for Debt Reduction, the accounts for 1933-34 will, on our present estimates, close with a surplus of Rs. 1,29 lakhs. This sum we propose to set aside as a special fund to cover relief measures in respect of earthquake damage as to which I shall have more to say later.

16. *Next year, 1934-35.*—I must now turn to the prospects for 1934-35. Estimation of revenue, and especially customs

revenue, is again very difficult because entirely abnormal conditions still continue. As a preface to my estimates I must say a few words about the conditions affecting agriculture which of course represent the most important factor influencing India's financial position. I cannot deal with them at length, but I shall circulate with the budget papers, or shortly after, a note on the agricultural position and a review by the Director-General of Commercial Intelligence and Statistics on India's Foreign trade. These will I hope furnish a useful background to my account of the financial position. Speaking quite generally one may say that on the whole (with certain local exceptions owing either to excessive rain or recently to frost) agricultural conditions have been favourable and crop yields satisfactory. Recently there has come upon one part of India a special disaster, in the earthquake in Bihar, but although this has had local consequences of a terrible nature, it will not appreciably affect the economic position of India as a whole. In the agricultural season which is now current or just completed there have been marked increases in the production of India's main money crops—jute, cotton, oilseeds and sugarcane—and, so far as export crops are concerned, the increased quantities seem to be finding a market.

In all these respects therefore conditions have been such as warrant normal prosperity, and the only trouble has been the low level of prices. Here there is at least a sign of improvement in that the disparity between the prices of primary agricultural products and of manufactured goods has during 1933 got definitely smaller,* while since the beginning of 1934 there has been a tendency towards rising prices and improved

*Taking the Calcutta wholesale price index numbers, and comparing the figures for December 1933 with December 1932, there has been a rise of 5.8 per cent. in the index figure for *exported* articles and a drop of 2.6 per cent. for *imported* articles.

demand, notably in cotton. One therefore feels justified on all this evidence in entertaining some expectation of slightly better times next year. In confirmation of this there is on the whole a more optimistic feeling in the main business centres than was the case last year, while the recent steady increase in the goods traffic receipts on the railways and the improvement in our export trade figures to which I have already referred are encouraging signs. On the whole we feel justified in anticipating a very moderate recovery in certain heads of customs import duties over the revised figures for the current year, while we have also allowed for an improvement of 20 lakhs in the jute export duty. We have also to take into account that the immediate effect of the proposals contained in the Textile Tariff Bill introduced this session by my honourable colleague, Sir Joseph Bhore, will probably be an increase in receipts, and that a similar result will follow from his Tariff Bill introduced at the end of last session, the purpose of which was to alter a number of *ad valorem* to specific rates of duty.

17. On the other hand there are certain important items in regard to which special factors will be operative and will produce a loss of customs revenue.

Sugar.—The most important single item is sugar, in the case of which the very rapid development of local manufacture; to which I have already referred and to which I shall refer again, seems to be leading towards the early extermination of imports on a substantial scale. Indeed it is no exaggeration to say that the success of our protective policy for sugar is the main cause of our budgetary difficulties. In 1930-31 we raised over 10½ crores from sugar. Even in 1932-33 we got nearly 7 crores. In the current year we budgeted for 6,10 lakhs and we actually expect to receive no more than 5,00 lakhs, while for next year we cannot count on more than 2,05 lakhs.

Indeed we should normally only have allowed for 1,80 lakhs next year (or an import of about 100,000 tons) but as a result of the earthquake in Bihar the operation of seven factories may be altogether stopped or seriously curtailed and on this account we have increased our estimate of imports. Even so this item accounts for a loss of 2,95 lakhs as compared with the revised estimates for 1933-34 and of 4,05 lakhs as compared with the budget estimate.

Land Customs.—Closely connected with this is the item of Land Customs which has hitherto mainly represented duty on sugar imports over the Viramgam line. In this case our revised estimate for 1933-34 at 1 crore is 30 lakhs higher than the budget, the increase being mainly due to the receipt of a large payment of arrears. For next year we are only budgeting for 35 lakhs owing to declining sugar imports so that under this head there is a loss of 65 lakhs as compared with the revised estimate for 1933-34.

Machinery.—Then we must be prepared for a substantial drop in the Machinery import duty. We expect to get 1,32 lakhs from this in the current year, or 17 lakhs more than our budget estimate ; but these high receipts are due to the exceptionally large imports of sugar machinery. We cannot count on their continuance and we have reduced next year's estimate to 1 crore which means a drop of 32 lakhs on the revised estimates of the current year.

Cigarettes.—Another item which I will select for special mention, because I have some proposals to make about it later, is manufactured tobacco. Here the operation of our duties as a result of recent changes and surcharges has given a protective stimulus to the local manufacture of a class of cigarette which was hitherto imported. We budgeted for 50 lakhs in the current year, but on our revised estimates expect to get only 28 and on this we have to allow for a further loss of 8 lakhs next year unless a change is made.

18. The special items which I have selected for mention account for a loss in import duties next year of 4,00 lakhs as compared with the revised estimates for the current year.

On all the other customs items combined we are budgeting for a net increase of 1,75 lakhs, so that the net deterioration under customs as compared with the revised estimates for the current year is 2,25 lakhs.

19. The following is a summary of the changes in our estimates including those specially mentioned above :—

	Budget, 1933-34.	Revised, 1933-34.	Budget 1934-35
Tobacco, manufactured	50	28	20
Cotton, raw	62	35	45
Silver	25	1	1
Artificial silk piece-goods	90	70	70
Machinery	1,15	1,32	1,00
Articles of food and drink	56	36	40
Yarn and textile fabrics not liable to preferential rates of duty	95	75	1,00
All other articles wholly or mainly, manufactured not liable to preferential rates of duty	1,80	1,32	1,42
Miscellaneous	34	55	55
Silk piece-goods and manufactures of silk or artificial silk not otherwise specified ..	1,60	1,20	1,20
Iron and Steel	1,10	85	70
Sugar	6,10	5,00	2,05
Cotton piece-goods	6,10	4,40	4,25
Metals other than iron and steel	90	62	62
All other articles wholly or mainly manufactured liable to preferential rates of duty.	2,35	2,08	2,20
Other articles	89	1,15	1,20
Export duty on Jute	3,00	3,60	3,80
Land Customs	70	1,00	35
Import and Excise duty on motor spirit ..	4,30	4,75	4,80
Do. kerosene ..	4,20	4,05	4,20
All other items	14,22	13,97	14,92
	52,53	48,31	46,02
Refund ..	1,28	1,44	1,40
Net ..	51,25	46,87	44,62

Other Heads of Revenue.

20. The changes in other heads of Revenue do not call for any detailed comment. We are allowing for a slight recovery of 12 lakhs in Taxes on Income to a total of 17¼ crores and we should have put this 25 lakhs higher if it had not been for the losses which must be anticipated from the

earthquake. We are also allowing for an increase of 18 lakhs on salt and for a drop in the gross receipts from Opium of 64 lakhs. The declining revenue from the latter item owing to the policy adopted in 1925 has been another cause of budgetary difficulties. Altogether the total drop to be allowed for in Revenue as compared with the Revised estimates for the current year is 2,74 lakhs, which is more than accounted for by the loss on sugar.

Expenditure.

21. So far as concerns expenditure, we are still searching for further economies, and have rigidly maintained our rule that no new item of expenditure shall be admitted unless it is absolutely obligatory or unless it is likely to be economically productive. We have also, as I have already announced, decided that the 5 per cent. cut in pay ought to be retained for another year. As a result there is a very satisfactory reduction of 2,12 lakhs in the Budget provision for next year as compared with the Budget for the current year and of 2,90 lakhs as compared with the actuals for last year (1932-33) for, while expenditure on Civil Administration has been kept practically unchanged in spite of the normal increments in pay, there is a substantial saving on interest charges due to conversion schemes and the improvement in Government credit, while the military contribution from His Majesty's Government means a big reduction in the Army Budget.

The last mentioned reduction was effective in the current year also, and is therefore not reflected in a comparison between the Revised estimate for 1933-34 and the Budget estimate for 1934-35. The latter shows expenditure kept at almost exactly the same level as the present, but in appreciating the significance of this result it must be borne in mind

that the Revised estimate for 1933-34 includes no provision for war debt interest, while we are providing 58 lakhs for this in the 1934-35 Budget. There are also other factors under the head of interest payments which unfavourably affect next year's Budget of which I must give fuller explanation. In the meanwhile the very satisfactory trend of reduction in expenditure over the past year's is brought out in the following figures (which are as usual explained in greater detail in the Finance Secretary's memorandum).

Expenditure. (In lakhs.)	1930-31 Actual.	1931-32 Actual.	1932-33 Actual.	1933-34 Budget.	1933-34 Revised.	1934-35 Budget.
	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
Gross	1,30,03	1,26,50	1,18,00	1,17,22	1,15,02	1,15,10
Net	93,20	88,78	80,59	79,21	76,59	76,61
(*i.e.*, taking net figures for Interest and Defence).						

22. The following items call for special comment : —

(*a*) *Civil Administration.*—Taking the main administrative heads of Civil Administration, Civil Works and 'Other direct demands' which last item covers the cost of the Tax collecting departments (other than Opium), there is a net decrease in expenditure as compared with the estimates of the current year of 3 lakhs in spite of the fact that the normal increments of pay account for about 12 lakhs, and that certain special new items have had to be included, (amounting to about 7 lakhs), such as increased expenditure in connection with Civil Aviation (1½ lakhs), improvement of Broadcasting Service (1 lakh), additional grant to Imperial Council of Agricultural Research (1 lakh).

(*b*) *Defence* (*Net*)—

	Crores.
Budget, 1934-33	46.20
Revised, 1933-34	44.42
Budget, 1934-35	44.38

The demand under the Defence head stands for next year at 44.38 crores. This is 4 lakhs less than the Revised estimates for the current year and 1,82 lakhs better than the Budget estimate. The latter big reduction is of course due to the payment now made by His Majesty's Government as a result of the finding of the Capitation Tribunal, to which I have already referred. The House is fully informed as to the facts in this case, and I need not add further explanations; but I wish to take this occasion to review the course of military expenditure during the period of my office as Finance Member. The salient fact is that the total demand has been reduced by no less than 10.72 crores, from 55.10 crores in 1929-30 to the present figure of 44.38 crores. This is a remarkable reduction and I venture to think that if I had prophesied its achievement in 1929, my prophecy would have been greeted either with incredulity or, among these who gave credence to it, with extreme satisfaction. In the debates at that time the great demand was always that we would get Defence expenditure down to the so-called Inchcape figure of 50 crores. Yet now we are nearly six crores below that.

In 1929 we were working under the plan which was known as a Contract Budget for the Defence Estimates. I may remind the Hon'ble Members of the circumstances in which that plan was started. In 1927-28 the Government of India had to face the fact that owing largely to the Inchcape retrenchments the equipment of the Defence Forces had fallen and was continuing to fall, below modern standards, and that an outlay of 10 crores in the next few years was required to put matters right. On the other hand the financial situation was such that an increase of the Defence budget could not be contemplated. The remedy adopted was to stabilise the budget figure for four years at the existing level of 55.1

crores and to allow the Army authorities to retain and apply towards the re-equipment programme any savings which they could effect—either the automatic savings which were then in sight as a result of a decision of His Majesty's Government in 1925 to reduce to pay of British soldiers for new recruits, savings from a special economy campaign which they then undertook to launch. They were in short to have a total allotment of 220.4 crores over four years and were expected to find 10 crores out of that for re-equipment. The deterioration in the financial position as a result of the economic depression which began at the end of 1929 soon however made it necessary to reduce the contract grant. The full amount was provided for two years only and then in 1930-31 it was reduced to 54.30 crores and in 1931-32 to 51.76 crores. On top of these reductions came the Retrenchment campaign and in the next two years the grant came down first to 46.74 crores and then to 46.20 crores. The net result is that in the four years destined for the original contract, the sum allotted fell short of the original plan by about 4 crores, while since then the grant has been reduced to the bare level of standing charges. Nevertheless the greater part of the re-equipment programme has been accomplished with the result that the sum required to complete the programme now amounts only to just over 2 crores.

In addition to this I must mention that in each of the past four years substantial expenditure amounting in all to over 2 crores has had to be met on unforeseen military operations on the Frontier or in aid of the Civil Power. The most notable items are the Khajuri operations in 1930-31, the suppression of the Burma rebellion in 1931-32, the establishment of the additional garrison in Bengal in 1932-33 and the Mohmand-Bajaur operations in 1933-34. Such

expenditure was of course not provided for in a budget framed to meet only standing charges and ordinarily it would have had to be met by supplementary grants from general revenues. It so happened, however, that in each of these years there were unforeseen savings, notably those due to the continued, low level of prices, to balance this unforeseen expenditure and with this help His Excellency the Commander-in-Chief was able to meet the whole of this expenditure without any supplementary grant.

I have said that the Defence budget for 1934-35 is no less than 10¾ crores below the expenditure of 1928-29. Towards this result certain factors have contributed, which are, wholly or partially, outside the control of the military authorities in India. Thus in round figures, one crore of the reduction is due to the fall in prices, one crore to the effects of the 1925 revision of pay of British soldiers, two crores to the recent contribution by His Majesty's Government towards Indian Defence expenditure and half a crore to the general emergency pay cut. But after allowance has been made for these factors there remains to the credit of the military authorities a solid reduction of over 6 crores. This has been secured partly by the postponement of the re-equipment and building programme, partly by reduction of stocks of stores and partly by real permanent retrenchments and economies.

I take this opportunity of repeating once more my grateful appreciation of the manner in which His Excellency the Commander-in-Chief and all ranks of the Defence Forces have come to the aid of Government in meeting the financial emergency. While doing this it is also fair that I should make it clear that the position of the army authorities is that the budget figure of 44.38 crores cannot be regarded as

representing as yet a new permanent level of Defence expenditure, but is an emergency budget which barely covers the obligatory charges of maintenance. They point out that if the general price level should rise, Defence expenditure will automatically rise as it has automatically fallen; that the restoration of the emergency pay cut, when it comes, will mean a further increase; that the curtailment of building and other programmes means the accumulation of commitments which cannot be postponed indefinitely; that current expenditure on stores must rise when retrenchment surpluses have been eaten down; and that during the next few years there will be inevitable extra expenditure on duplicate establishments in the earlier stages of Indianisation. Further possibilities of economies are still being urgently sought for, but the Army authorities have made it clear that such possibilities of savings as they now have in view will not go far to meet the possible increases to which I have referred. These are difficulties which must be appreciated. His Excellency the Commander-in-Chief has undertaken that he will not relax his search for economies, and I am confident that my successor will be able to count on receiving, as I have always done, the fullest possible support in meeting any situation that may arise.

(c) *Interest on Debt—*

Summary of position—

	Lakhs.
Interest on Ordinary Debt—	
Budget, 1933-34	1,16.06
Revised, 1933-34	—.27
Budget, 1934-35	—.98
Interest on Other Obligations—	
Budget, 1933-34	9,62.73
Revised, 1933-34	9,66.25
Budget, 1934-35	10,34.53

The next item on which I wish to say something is Interest on Debt. As Honourable Members who study our budget papers know, interest is divided into two separate heads—"Interest on Ordinary Debt" and "Interest on Other Obligations," the former covering our ordinary securities and Treasury bills, and the latter amounts held on account of Post Office Cash Certificates, Post Office Savings Bank accounts, Provident Fund balances, and balances held for the Provinces, and on account of Depreciation and Reserve Funds of the Commercial Departments.

Interest on Ordinary Debt.—It is a notable fact that the net figure for 1934-35 under Interest on Ordinary debt is less than nothing—in fact a surplus balance of about 1 lakh. This is a reduction of 1,17 lakhs on the budget for 1933-34, though it is actually about the same as for the revised estimates. The comparison is complicated by the position as regards war debt payments. In the budget for 1933-34 we provided 88 lakhs against this liability, but as no payment was made this amount was saved, and, as I have already explained, is the main reason for the saving on the revised estimates. As regards 1934-35, His Majesty's Government has already agreed to the postponement of the instalment due in June 1934, but we have made provision for the second half year's instalment, and we have also assumed that the outstanding arrears, excluding the amount in suspense, will be capitalised and the total discharged by equated payments ending 1952 to cover principal and interest. On this basis we are making provision for 58 lakhs in the 1934-35 budget. Excluding these War Debt provisions the comparison between 1933-34 and 1934-35 work out as follows :—

1933-34 Budget	..	28 lakhs.
1933-34 Revised	..	*Nil.*
1934-35 Budget	..	—59 lakhs (*i.e.*, net surplus).

There is thus really an improvement of 87 lakhs on the budget for 1933-34 and of 59 lakhs on the Revised.

Interest on Other Obligations.—Under Interest on Other Obligations there is an increase in the budget provision for 1934-35 of 72 lakhs over the budget for 1933-34 and 68 lakhs over the Revised estimate. This is accounted for by an extra charge of 50 lakhs in respect of bonus on Post Office Cash Certificates, while the balance represents mainly interest on the increased amount of Post Office Savings Bank deposits.

The position as regards bonus on Post Office Cash Certificates requires some explanation. I may remind the House that until 1930 the budgetary provision made had only covered the bonus paid out on the certificates actually encashed each year. This of course was totally inadequate to cover the accruing liability, especially as a substantial portion of the certificates was being renewed on maturity and not encashed. As a result of this practice a heavy liability which ought to have been met out of the annual budgets had accrued and, as I said in my budget speech in 1930, represented an addition to the public debt. In spite of the budgetary stringency which had already made itself felt in 1930, we decided that the practice ought not to continue and we introduced a new practice of providing each year for the actually accruing liability. As a result a fund of 2,59 lakhs has been built up since 1930 against bonuses which have accrued and not been paid, though of course this does not cover the arrears which had accrued before 1930. The provision introduced in 1930 represents a recognition of the accruing liability, but, as according to the terms on which most of the series of certificates were issued, the rate of interest mounts rather steeply in the later years of the currency of the certificates, it may happen that when a particular series is

approaching maturity the budgetary provision has to be increased irrespective of the amount of debt outstanding. This feature affects our provision for next year, for although the mean amount outstanding for next year is only put at 6½ crores above that for the current year, the provision for bonuses has had to be increased by 50 lakhs. We have recently revised the terms of issue for these certificates and provided for a lower rate of interest. The benefit of this will be felt some years hence, but in the next year or two the allowance for bonuses will represent an increasing percentage on the amounts outstanding. We have recently been considering a scheme for tackling the whole question and rearranging the position so as to guard against heavy liabilities in respect of the arrears accumulated before 1930 falling upon a particular budget in the future.

Another important item going to make up the total of the liability under the head of Interest on Other Obligations is interest on provident funds. Our present arrangement for fixing the rate of interest in this case is to take the average rate paid by Government on its loans raised during the preceding 5 years. The result is that for next year the rate payable is 5¼ per cent., because it is still largely affected by the high borrowing rates of two or three years ago. The benefit of the lower rates now prevailing will be gradually felt from now onwards, so that there is a prospect here in future years of quite a substantial saving accruing to the budget.

In fact both under this head and under the head of Post Office Cash Certificates the benefit of the recent improvement in our credit will be deferred till future years. In the meanwhile, however, for the reasons explained, we have to face increases.

I might sum up the result by saying that as regards Interest charges, including both Interest on Ordinary Debt

and Interest on Other Obligations, we have to provide next year 45 lakhs less than was allowed for in the budget of 1933-34, but 68 lakhs more than we are allowing in the revised estimates, and that as against the latter increase we are providing 58 lakhs more on War Debt and 50 lakhs more on Post Office Cash Certificates.

(*d*) *Pensions.*—The only other item of direct expenditure in regard to which I must mention a change in the budget as compared, with the revised estimates is an increased charge of 11 lakhs on Pensions.

(*e*) *Commercial Departments.*—I need not refer specially to the Railway results for these have already been fully discussed by the House, and in present circumstances do not affect our budget; but as regards Posts and Telegraphs it is satisfactory to be able to record a substantial reduction in the net loss, though this is due not to improvement in traffic but to the continued efforts on the part of those in charge to achieve economy in administration. In this case the revised estimates for the current year anticipate a reduction of the net deficiency of 5 lakhs and a further improvement of 38 lakhs next year.

23. *Summary of position.*—The complete figures for net expenditure may be summarised as follows :—

Revenue.

	1 Budget, 1933-34.	2 Revised, 1933-34.	3 Budget, 1934-35.	Difference between 3 and 1 Better+ Worse—.	Difference between 3 and 2 Better+ Worse—.
1. Customs	51,25	46,87	44,62	— 6,63	— 2,25
2. Taxes on Income ..	18,06	17,13	17,25	— 81	+ 12
3. Salt	8,75	8,55	8,73	— 2	+ 18
4. Opium	1,20	1,59	95	— 25	— 64
5. Other principal heads.	1,90	1,86	1,82	— 8	— 4
6. Interest	1,82	1,59	1,86	+ 4	+ 27
7. Civil Administration .	83	78	78	— 5	..
8. Currency	1,39	77	88	— 51	+ 11
9. Mint	36	46	39	+ 3	— 7
10. Civil Works	21	24	24	+ 3	..
11. Miscellaneous ..	57	68	56	— 1	— 12
12. Extraordinary ..	..	36	..	..	— 36
Total Revenue ..	86,34	80,88	78,08	— 8,26	— 2,80

Expenditure.

	1 Budget, 1933-34.	2 Revised, 1933-34.	3 Budget, 1934-35.	Difference between 3 and 1 Better + Worse —.	Difference between 3 and 2 Better + Worse —.
1. Opium	57	71	42	+ 15	+ 29
2. Other direct demands.	3,61	3,58	3,60	+ 1	— 2
3. Irrigation (net)	5	4	6	— 1	— 2
4. Posts and Telegraphs (net)	61	56	18	+ 43	+ 38
5. Interest on ordinary debt: net	1,16	..	— 1	+ 1,17	+ 1
6. Interest on other obligations	9,63	966	10,35	— 72	— 69
7. Civil Administration	9,59	9,58	9,59	..	— 1
8. Currency and Mint	64	61	66	— 2	— 5
9. Civil Works	1,94	2,07	2,02	— 8	+ 5
10. Miscellaneous	4,12	4,26	4,32	— 20	— 6
11. Defence (net)	46,20	44,42	44,38	+ 1,82	+ 4
12. Miscellaneous adjustments	1,00	1,00	1,00	— 1	— 1
13. Extraordinary	9	10	3	+ 6	+ 7
Total expenditure (excluding Provision for Reduction and Avoidance of Debt)	79,21	76,59	76,61	+ 2,60	— 2
Reduction and Avoidance of Debt	6,88	3,00	3,00	+ 3,88	..
Total Expenditure	86,09	79,59	79,61	+ 6,48	— 2
Total Revenue less Expenditure	+ 25	+ 1,29	— 1,53	— 1,78	— 2,82

24. *Final Summary.*—Summing up the salient points I may state the position on the basis of which I have to frame proposals for next year as follows. We expect to close the current year, after providing 3 crores for Debt Redemption, with a surplus of 1,29 lakhs which we propose to transfer to a special fund for Earthquake relief measures. For next year, basing my comparison on the net figures of Revenue and Expenditure our position will be 2,82 lakhs worse, that is to say, 2,80 lakhs worse as regards revenue, (which is more than accounted for by the falling off in sugar import duties the other differences offsetting each other), and as regards expenditure, 2 lakhs worse. In order therefore to provide

an even balance for 1934-35 it is necessary to find means of improving the position to the extent of 1,53 lakhs.

Proposals for 1934-35.

25. The task before us however is not solely one of devising measures to find the sum. It is necessary also to review the working of the general emergency plan which was introduced in September 1931. That plan was strictly an emergency plan designed to restore equilibrium over a limited period, namely, up to March 31, 1933. For this limited purpose it proved quite remarkably successful, and the surcharges imposed did, over that limited period, produce something like the revenue which was expected. But the general plan was not intended as a permanent one, and in some respects it may be open to criticism if it is permanently retained. An obvious ground for general criticism is that there is no justification for maintaining surcharges on protective duties which have been carefully calculated to give the requisite measure of protection, while it is also possible that in the case of certain items the situation created by high surcharges on what was already a high level of revenue duties may be such as to produce diminishing returns or to have an undesirable protective effect in the case of articles not eligible for protection. On the occasion of the last budget, *i.e.*, when we had to consider what we ought to do after the originally contemplated date of March 31, 1933, was reached, the view which I took was that it was legitimate to extend the emergency plan without alteration for another year in the hope that the signs of improvement which were then apparent would materialise into a general recovery assisted by the outcome of the World Economic Conference. That hope has not been fulfilled. The Conference failed to produce any result, except to reveal the difficulties of attaining any concerted international action, while the unprecedented experiment in the United

States of America has thrown a new factor of uncertainty into the whole position as regards international trade and finance. Whatever the outcome of that may be, one can only base present plans on a continuance of a level of trade and prices such as unfortunately now exists, which means that our plan of taxation as a whole must continue at the present so-called emergency level. That being the case, it is necessary to go carefully over all the items and consider whether there are any special cases where the continuance of the emergency surcharges for this extended period is having adverse effects, especially so far as revenue is concerned.

26. On grounds of principle the first obvious step would, as I have already indicated, be to remove the surcharges on the protective duties. As to these the position is as follows :—

(*a*) *Textiles.*—The position as regards the whole range of textiles is being dealt with in the bill introduced by my honourable colleague, the Commerce Member. It is a complicated position, and the changes which have been made during the past two years have made it extremely difficult to compare results or estimates of revenue under the various heads which are affected. As, however, my honourable colleague will be able more appropriately to explain all the aspects of this matter when his Tariff Bill is before the House, I will not attempt to deal with it now.

(*b*) *Iron and Steel.*—In the case of iron and steel, as the Tariff Board is actually now engaged in examining this industry we have decided to leave the position unchanged pending the completion of their review.

(*c*) *Paper.*—As regards paper, the protective duty has been producing quite satisfactory revenue returns, and, purely on revenue grounds, I have not had to propose a change.

(*d*) *Sugar.*—I come now to a specially difficult case—the case of sugar. I have already had occasion to comment on the tremendous loss of revenue which has occurred under the head of sugar import duties. The import duty which in 1930-31 produced over 10 crores is reduced in our next budget estimates to little more than 2 crores, and as, according to the estimates of production of new factories by the Sugar Technologist, the total production of Indian factories in 1935 is likely to be equal to the present level of India's consumption of white sugar, we must be prepared for losses of revenue still further under this head. The House is well aware that at present there is a surcharge of Re.1-13-0 per cwt. on the protective duty of Rs. 7-4-0. The surcharge, although its effect combined with the import duty on machinery which gave us a substantial revenue from sugar machinery, may have helped our budget during the period set for the emergency programme, that is to say, up to March 31, 1933, has led to a very rapid expansion of sugar factories in India. In my budget speech last year I referred to this matter and gave a clear warning to those engaged in the sugar industry that they could not count on a continuance of the existing abnormal level of protection. What has happened since then, has appeared to us to make it necessary to terminate the present situation. On the one hand it does not appear that in all cases the actual grower of sugarcane is getting the full advantage which he was intended to receive from our policy. On the other hand in many cases large profits are being made by sugar manufacturing companies, and the attraction of these profits is so great and factories are being set up so rapidly, that there is a real danger of over-production on a scale which may lead to very serious reactions both on the manufacturing industry and on the cane growers who rely on it. There are thus three main points involved.

First, the danger of continuing a stimulus which is in excess of what Government decided to be necessary as a measure of protection ;

Secondly, the need to ensure that the agricultural producer gets his full measure of benefit out of the policy of protection ; and

Thirdly, the replacement of the revenue losses which represents the cost to the general public of India of giving protection to a limited number of manufacturers.

After careful consideration of all these points we have decided to propose a dual policy ; on the one hand the imposition of an excise duty on factory produced sugar, and on the other hand the introduction of legislation by the Central Government which will enable the Provincial Governments to apply schemes for enforcing a minimum price for cane to be paid by the factory to the grower. As I have already stated, the present duty of Rs. 9-1-0 per cwt. is Re. 1-13-0 above the basic duty of Rs. 7-4-0 recommended by the Tariff Board. In their report, however, the Tariff Board recommended that there should be power for Government to increase the measure of protection by 8 annas per cwt. when Java sugar was being imported at a price less than Rs. 4 per maund to Calcutta. We propose to assume that the conditions justifying this extra margin of protection are likely to continue in existence for the present, and therefore to leave a protective margin of Rs. 7-12-0 per cwt. and to impose an excise duty of Re. 1-5-0 per cwt. We assume that this will yield Rs. 1,47 lakhs and out of this we propose to set aside an amount equivalent to 1 anna per cwt., representing about 7 lakhs, as a fund to be distributed among the Provinces where white sugar is produced for the purpose of assisting the organisation and operation of co-operative

societies among the cane growers so as to help them in securing fair prices, or for other purposes directed to the same end.

It is only after very carefully weighing all the issues that we have decided to propose an excise duty, for we recognise that it may be criticised as likely to have an adverse effect on the cultivators of sugar cane throughout the country, and that, in the present conditions which are particularly difficult for the agricultural masses, is a result which we could not contemplate with equanimity.* We trust, however, that as a result of the legislation which we propose to introduce, the immediate position of the cultivators will be protected, while taking a view of the more distant future we have been compelled to the conclusion that if the present conditions are allowed to continue there is a danger of over-production which might in the long run bring disaster to the interests of cultivators and manufacturers alike. We believe that the measure of protection which will remain is sufficient to allow all reasonably well organised factories a fair margin of profit after paying a fair price to the cultivator, and here again we feel that in the long run the industry will enjoy a more healthy life and growth if this change is made now than if the present excessive duty is allowed to continue. I may mention that we had arrived at our decision in this matter just before the occurrence of the earthquake in Bihar which, as is well known, has affected an important sugar growing area. We consider, however, that this does not afford adequate ground for altering our whole plan, though we shall be prepared to

* It is important in this connection to appreciate that the sugar refining industry only absorbs a fraction of the sugar cane which is grown in India. Actually in 1932-33 it is estimated that out of a total of about 48½ million tons of cane produced in India only 4½ million tons was taken by factories producing refined sugar. Of the balance about 5½ million tons was taken by khandsari factories leaving 38½ million tons for other purposes.

consider special measures for the assistance of this particular area. I shall be referring to this again in a later passage of my speech.

Lastly, from the point of view of the general tax-paying public of India, who are neither sugar manufacturers nor cane growers, we feel that it is fair that some steps should be taken to preserve revenue from this source. This case of sugar is an illustration of the great cost of protection to the country, and it is essential that the public should realise that if the development of local industries is to be obtained at this cost, then the public services of the country cannot be maintained unless other methods of indirect taxation to replace such loss of customs revenue are adopted.

Before leaving this subject I may inform the House that the proposal for a Sugar Excise duty is not included in the Finance Bill, but in a separate bill, which I shall introduce as soon as possible.

27. *Surcharges on Revenue duties.*—Apart from the protective duties there is the question whether the surcharges on other items are having adverse effects, either in the sense that the high level of duty is discouraging consumption to an extent great enough to produce an actual loss of revenue, or in the sense that local manufactures which have not been adjudged to be suitable for protection are being stimulated at the cost of loss of import duty revenue.

(*a*) *Manufactured Tobacco.*—One notable instance of adverse effects is occurring as the result of the high level of duties on cigarettes. The cigarette made wholly or mainly of Indian leaf has always enjoyed the shelter of a somewhat heavy revenue duty on the imported commodity, and it is not to that class of cigarette that I now refer. My remarks relate to a very important trade that exists in this country in a type of cigarettes which, even when made in India, are

made exclusively, or almost exclusively, from imported tobacco, and experience indicates that we have not adjusted properly the relation between the import duty on raw leaf and the import duty on the finished article. Under our present tariff, as modified by the two surcharges, the duty on cigarettes works out at something like double the duty on the tobacco used in making similar cigarettes in India; and the result has been to divert the manufacture of the great majority of the leading brands of cigarettes to factories in India belonging to the same interests as previously imported these brands from abroad. Such an industrial development has never made a claim—and I do not think it could make a good claim—that it satisfies the principles of discriminatory protection and should therefore receive abnormal encouragement from the tariff. We have now decided to fix the relation between the duty on cigarettes and the duty on raw tobacco on a more rational basis, and we have considerable hope that, while not depriving the interests concerned of reasonable assistance, it will bring back the class of cigarette concerned into the field of open competition between the imported and locally made article, and result, without detriment to the interests of the consumer, in some increase of revenue from import duties. We propose to take for cigarettes a specific duty roughly corresponding to the identical amount that would have been paid on the quantity of leaf contained in the cigarettes and to add to this specific duty the normal revenue duty of 25 per cent *ad valorem*, thus leaving the local industry with no more than the benefit which is enjoyed by every non-protected industry engaged in the manufacture of goods which are subject to our present normal revenue duty of 25 per cent. The details are as follows :—

At present what I may call the basic rate of duty on cigarettes is Rs. 10-10-0 per thousand, while there are

smaller classes which are assessed at Rs. 15 and Rs. 8-8-0 per thousand the division between these classes being dependent upon values. The present rate of duty on raw tobacco is Rs. 2 per lb. standard and Re. 1-8-0 preferential. (Imports entitled to the benefit of preferential duty are negligible). The revised rates that we propose are—On raw tobacco: Rs. 2-6-0 per lb. standard and Re. 1-14-0 per lb. preferential. On cigarettes: Rs. 5-15-0 per thousand *plus* 25 per cent. *ad valorem*.

A duty of Rs. 5-15-0 per thousand on cigarettes is the equivalent of Rs. 2-6-0 per lb. on raw tobacco, because the leaf content of the kinds of cigarettes with which we are mainly concerned is about 2½ lbs. per thousand cigarettes. One of the considerations that has weighed with us in selecting the new method of adding the specific and *ad valorem* duties together rather than fixing different rates of specific duty for goods of different value has been the serious inconvenience that has been caused, ever since the latter method was adopted, by the fact that it blocked out entirely from the possibility of competition certain ranges of values, since an increase of one anna in value would bring an increase of duty of several rupees. The new rates may somewhat increase the duty on the most expensive brands, but this may be regarded as a luxury article which can stand the increase. For the greater part of the class which is assessed now at Rs. 10-10-0 per thousand, the duty will be reduced. The amount of this reduction will be equivalent roughly to the removal of the second surcharge. It is to this effect that we look to bring a revival of imports. Our calculation is that the combined effect of the slight increase in the duty on raw tobacco and a reduction in the duty on the finished article will be, after allowing for some decline in imports of raw leaf, to increase by about 30 lakhs the very reduced revenue which we must otherwise anticipate.

(*b*) *Silver.*—The next item which appears to us to call for special consideration is silver. The present basic duty both excise and import is 6 annas per ounce which, with the surcharge of 25 per cent., gives a total of 7½ annas per ounce. At present the imports of silver have for all practical purposes ceased, so that against our budget estimate for the current year of 25 lakhs we only expect to receive 1 lakh, and there is no reason, if the present duty continues, to anticipate more next year. The decline in the import of silver is of course primarily due to the lack of purchasing power in the country which has turned India in toan exporter of gold instead of an importer to the extent of many crores per annum of gold and silver. Therefore in present conditions the existence of this high duty can hardly be regarded as having any appreciable effect on the normal trade, though it is probably encouraging some smuggling, and it is certainly attracting movements of silver through any gaps which exist in our land customs regime. Last year I mentioned that we were taking steps to deal with this on the Burma frontier, and further steps in respect of other places are now under consideration. While this is an undesirable condition we think that the time has come on general grounds to take account of the fact that if India's purchasing power for silver were to revive the existence of a duty at the present level would not only provide an increased incentive to smuggling, but would also act as a serious obstacle to legitimate trade. Moreover we must also take into account our general policy in this matter. The part which the Indian delegates played in bringing about the silver agreement at the World Economic Conference, which has already been ratified by the Indian Legislature, must be regarded as indicating our desire to co-operate with other countries and especially with the United States of America in measures designed to improve its price. Although

we must reserve our liberty to impose a duty on silver for revenue, purposes, we must on the other hand recognise that a duty which is so high as to operate as a serious impediment to trade may also be unprofitable from the revenue point of view. Therefore, both as a measure of co-operation with the United States of America and other countries interested in silver, and also for the purpose of improving the prospects of our own revenue, we think the time has come to make a reduction in the silver duties.

The only consideration which can weigh with us on the other side is the effect of any such reduction on local prices. There can be no doubt that the existence of our duty throughout the last few years has done something to protect the internal price of a commodity which is an important store of value to the poorest classes. We do not wish to disturb this position, but as the facts are to-day we think we can lower the duty without risk of doing so. Taking the prices of silver which have been ruling recently in London (about 19½d. to 20½d. per standard ounce), the prices in Bombay have been ruling round about Rs. 55 per 100 tolas as against 19½d. per ounce in London. On the basis of a London price of 19½d. we calculate that the parity price in Bombay allowing for import duty and other charges, ought to be Rs. 61-11-9 per hundred tolas, so that it looks as if the Bombay prices have been keeping at a level at least Rs. 6-11-9 per 100 tolas below the full parity. The duty of 7½ annas per ounce is equivalent to Rs. 17-9-3 per 100 tolas. It appears therefore that we might reduce the duty by one-third, *i.e.*, by 2½ annas per ounce without thereby necessarily affecting the Bombay price at all, for it would still be somewhat below the London parity.

On these considerations we propose to reduce the duty by 2½ annas to 5 annas per ounce. In order to avoid

confusion in the market we propose to give immediate effect to this reduction by notification.

We think it fair to anticipate a small import of silver as a result of this reduction, bringing up the receipts from 1 lakh to 5 lakhs. This therefore means an increase of 4 lakhs on our estimates.

28. *Other items.*—A careful scrutiny of the surcharges on the remaining items in the Tariff Schedule has not revealed any other clear case for making a change on the ground that a reduction in the duties would mean an increase of revenue or indeed would not involve a definite risk of loss of revenue. As the need for revenue continues as urgent as ever we propose to leave the other surcharges unaltered. This however only covers the revenue side of the matter, and there are, as I have already indicated, other possible reactions from the continued existence of these high duties which we cannot ignore. We propose during the coming year to examine this situation carefully from all points of view. In the meanwhile I must make it clear that the fact that these surcharges will now be in force for a second year since the date fixed for the original emergency programme must not be taken to imply that they should be regarded as having become permanently embodied into our tariff system. This remark applies not only to those articles on which the surcharges remain in force by virtue of separate legislation superimposed on the basic tariff schedule, but also to some of those duties where the surcharge and basic duties have been consolidated in recently passed or pending legislation, such as the Act to give effect to the Ottawa preferences or the two Tariff measures which are being dealt with in this Session. An important case to which these considerations apply is the 25 per cent. *ad valorem* duty on British cotton piece-goods as to which

my Honourable Colleague the Commerce Member will explain the exact position when he proceeds with the Textile Tariff Bill which is already before the House.

29. Honourable Members will recollect that last year in the course of the discussion of the Finance Bill there was some criticism made of the existing arrangement under which the actual rate of duty leviable could only be ascertained by reference to several different Acts; and we appreciated the justice of this criticism. However defensible the surcharge form may have been when there was ground to hope that the surcharges would soon be remitted, what I have already said implies an admission that such a justification has now disappeared, especially as the result of the various independent Tariff measures to which I have already referred has been to consolidate the charges in respect of a large number of items. We had hoped to be able to put through a consolidating measure at the beginning of this Session, so that by the time that the Finance Bill was presented, any proposals affecting the tariff would be intelligible without reference to more than one Act. Unfortunately, this has proved impossible not only because of the pressure of other legislative business but also because it would have created almost insuperable difficulties in drafstmanship if we had had a consolidating measure before the Legislature simultaneously with two important Tariff Amendment Bills, which between them involved the amendment of no less than 31 items in the Tariff, besides adding 39 new items. We regret this result and I can assure the House that it is our intention to introduce a consolidating measure at the earliest possible opportunity. I might perhaps add that so far as daily practice is concerned, Customs officers and the public are already in possession of a consolidated tariff compiled by the Director General of

Commercial Intelligence and Statistics and sold for a few annas under the title " Indian Customs Tariff."

30. *Export duty on hides.*—I have dealt so far with the position as regards import duties, but I have also a proposal to make in the case of one of the export duties, namely, the abolition of the export duty on raw hides (not skins). We feel that in this case a portion of our export trade is possibly in real danger and that the removal of the export duty may help to avert this danger. Though the immediate loss of revenue from the duty is put at 5 lakhs, we take the view that its removal may help to encourage the export trade, and therefore to provide greater purchasing power for imports on which import duties at a higher rate will be collected, so that the indirect effects of this proposal may actually be an increase in revenue.

We consider that there is a very special case for the abolition of this particular duty. The export trade in raw hides is at present in a very depressed condition. Statistics of imports of raw hides into Hamburg show that whereas imports of hides from sources other than India have fallen off by 6 to 7 per cent. between 1931 and 1932, they are still above the 1912 level. On the other hand imports of Indian hides have fallen by over 30 per cent. between 1931 and 1932 and are now less than a quarter of what they were in pre-war days. The very significant decrease in Indian exports cannot therefore altogether be accounted for by a general decrease in world demand but must also represent to a considerable extent definite loss of trade in competition with other sources of supply. During the first half of 1933 there was some improvement in shipments to Germany, but the improvement has not been maintained and since September there has been a serious deterioration in the position even as

compared with 1932-33. The duty has been retained hitherto as a purely revenue measure. But the revenue involved is now no more than a problematical 5 lakhs and we feel that there is little justification for its retention, even for revenue purposes, at a time when the export trade is in danger of extinction. What I have said applies only to raw hides; so far as the exports of skins is concerned these have shown an encouraging increase in the current year, and we do not feel that there is any strong case here for the removal of the duty.

31. *Postage and telegraph rates.*—There is one other case in which we think the time has come to make a tentative experiment in reducing charges in the hope of improving the economic position. I refer to Postage and Telegraph charges. I have already mentioned how the financial position of the Posts and Telegraphs Department is, as a result of strenuous efforts, moving towards equilibrium, with the result that the deficiency, after meeting full charges for interest on capital next year is to be reduced to under 14½ lakhs. But this improvement is the result of economy in administration and we cannot view with equanimity the general decline in the volume of business. In the case of telegraph charges in particular it seems clear that with the growing competition provided by telephone and air mail facilities the telegraph business may be permanently damaged unless something is done to cheapen the facilities offered. Similar considerations though not so clearly, apply to Postage rates. Government have therefore decided to test out the possibility of improving the financial prospects of the Department without impairing the revenue position by a reorganisation of the rates so as to make them more attractive to the users of the Department's services and to exploit the turn in the economic tide.

The changes proposed are as follows:

I. *Postal.*—(*a*) In the postal tariff we propose to lower the initial weight of inland letters from 2½ tolas to ½ a tola

coupled with a reduction in the charge from 1¼ anna to one anna. For heavier letters the charges will continue to be 1¼ anna for letters not exceeding 2½ tolas, with additional 1¼ anna for successive weights of 2½ tolas or fractions. This change introduces a lighter unit of weight and will undoubtedly benefit the poor citizens and the business community. Allowing for a recovery of 10 per cent. in traffic we estimate that in the first year this reduction will involve a loss in revenue of 27 lakhs, but we have good reasons to hope that in the second year this loss will practically disappear, and that thereafter there will be a gradually increasing net gain.

(*b*) As a second change in postal charges we propose the remission of the extra pie, per five pice embossed envelope which was imposed in 1931 to recover the cost of manufacturing the envelope. This is more of the nature of an administrative reform considered necessary on general grounds than a regrading of the rate, but it is again a reform which will benefit the ordinary citizen. We estimate a loss of revenue of two and a half lakhs from this change.

(*c*) Thirdly, as regards Postal rates, we propose a small change in a contrary direction, namely, that the initial charge on inland book packets not exceeding 5 tolas in weight should be raised from 6 to 9 pies. The book packet method of transmission is undoubtedly being abused, and a change is urgently necessary to stop the diversion, with consequent loss of revenue, that is occurring of post card traffic to the book packet category. We estimate a gain of a little over 5 lakhs in revenue from this change.

II. *Telegrams.*—The last change which we propose is as regards Telegrams. Instead of having, as at present, a minimum charge for ordinary telegrams of 12 annas with a

surcharge of one anna for a message of 12 words, we propose to introduce a minimum charge for a telegram of 8 words of 9 annas, while that for an express telegram of the same length will be one rupee and two annas. For each additional word in the two classes of telegrams the additional charge will be one and two annas respectively. We estimate a loss during the first year of 3 lakhs from this change, but here also, as in the case of the postal rates, we hope that in the second year this loss will disappear, while without making this change we consider that there is a prospect of a continuous decline in telegraph receipts.

These proposals will thus involve a total net loss of about 27.50 lakhs in the first year. In present circumstances we should not have felt justified in proposing changes involving an immediate loss of revenue except for reasons which I shall now explain. In the first place, we believe that traffic both in letters and telegrams will increase in consequence, and that due to the existence of a considerable amount of idle capacity both of equipment and personnel, the increase in traffic can be handled without appreciable increase in expenditure. Secondly, we have in view, as I have already explained in an earlier passage, the definite possibility of further economies which, even if the anticipated improvement in traffic after the first year does not materialise, ought to be sufficient to offset the loss of revenue. Lastly, we think it justifiable to adopt an expedient which will obviate any loss from these changes being debited to the Budget next year. Since the organisation of the accounts on commercial lines, the annual allocation for depreciation has been very much higher than the amount annually spent on renewal so that the balance to the credit of the depreciation fund has been mounting rapidly. We propose to review this provision next year and pending this review, having regard to the large

balance in the fund we consider it justifiable during 1934-35 to reduce the contribution to the Depreciation Fund from 36.06 lakhs required under existing rule to 8.72 lakhs being the amount required for actual renewal and reconstruction of assets. This will save 27.34 which is about equal to the net amount required for the reorganisation of the rates.

This reduction of the depreciation contribution is avowedly a temporary expedient that cannot be repeated. Consequently, the reorganisation of the rates must also be regarded, truly and literally, as an experiment designed to test out the responsiveness of traffic to rates. If traffic does not respond sufficiently or if economies sufficient to bridge the gap between revenue and expenditure cannot be found, both Government and this House will have definitely to face the necessity for increasing the rates to such an extent as may be necessary.

It is regretted that Government cannot contemplate making a similar experiment in the matter of the inland post card rate. The loss involved in reducing it to half an anna is estimated at 56 lakhs after making due allowance for increase in traffic, and there are no economies in sight which could be expected to cover a loss of this magnitude in the near future. If the experiment now being launched in the matter of the letter and telegram rates does not belie expectations, and if the anticipated economies become available, then the reduction of the post card rate will no doubt receive the consideration that its importance deserves. The re-organisation of the letter rate should in any case hasten the day when such action can be contemplated because it will enable the department to absorb the dead weight of idle capacity which is directly or indirectly responsible for the loss.

32. *Summary of Taxation Proposals in the preceding paragraphs.*—The proposals which I have mentioned, namely,

Sugar Excise net revenue 1,40 lakhs, Tobacco duties 30 lakhs, Silver 4 lakhs, less the loss of 5 lakhs on the abolition of the export duty on raw hides, should produce a net improvement in revenue of 1,69 lakhs, which will cover the deficiency of 1,53 lakhs and leave us with a small surplus of 16 lakhs.

This would complete my plan so far as the Central budget is concerned, but I have one other important proposal to put forward which can be independently considered.

33. *Proposal for Financial Assistance to Bengal, etc.*— While our own financial position has been maintained in the sound manner which I have described, we have to recognise that the financial position in India is not merely a question of the Central Government budget, but that Provincial finances also closely concern us. Not only does the Central Government at present act as the banker to the Provinces, holding their balances and providing funds to meet their capital expenditure and deficits, but we have also in these days to consider our policy with some regard to the various proposals for Federal finance which are such an important part of the constitutional plan. I am not suggesting that we can in any way anticipate the new constitutional proposals, the form of which is still subject to consideration by the British Parliament, nor that we can attempt to take upon our shoulders the responsibility for dealing with the problems of Provincial Governments. There is however one case which has stood out in all the enquiries and proposals as requiring some special action, and that is the case of Bengal. The need for some special help to Bengal has been recognised in the White Paper, and the Government of India is also prepared to accept a similar conclusion. At the same time if any action is to be taken, it is right that something should be done without delay, because Bengal has been since 1930 incurring

deficits at the rate of about 2 crores per annum, and its debt on this account is piling up to figures which may become really unmanageable. If we are prepared to take account of this, and ask the Central Legislature to support us in raising funds to help Bengal, we can also fairly claim to be satisfied that the Bengal Government and Legislature are doing all that is possible to help themselves. Everything which I have to propose is subject to this condition.

34. After these preliminary remarks I will come straight to the plan which we have to put forward. We propose to ask the Legislature to sanction the imposition of an excise duty on Matches and then, if we can strengthen our resources in this way, to approve our handing over half the jute export duty to the jute-producing provinces, which of course means chiefly Bengal, but will also include to a smaller extent Bihar and Orissa and Assam.

35. Honourable Members will at once appreciate how a proposal of this kind fits in with the general outlook on the position described in my introductory remarks. Let me make one or two points to illustrate this. In the first place it appears to us quite clear that, whatever the form of the new Constitution may be, India in the future will need to take advantage of all possible sources of indirect taxation. An excise duty on matches is and has always been recognised as an obvious expedient. It would therefore be in every way advantageous to have this measure in operation as far as possible in advance of the new constitution.

In the second place the proposal to hand over at least half the jute export duty to Bengal and to other jute producing Provinces is included in the White Paper plan and this affords us some basis for our present proposal, although I must again make it quite clear that the whole of these

proposals must be regarded as purely of a provisional nature to deal with the immediate situation and as in no way creating a permanent arrangement which could be regarded as anticipating the final decision of Parliament in this matter.

36. I must now explain more precisely the exact nature and effect of these proposals. In the first place, according to our estimates, half the export duty on jute next year will amount to 1,90 lakhs. After allowing for a small sum of 1 lakh to cover cost of collection, the balance of 1,89 lakhs if divided in proportion to the average rate of production over the past 5 years would give about 1,67 lakhs to Bengal, about 12½ lakhs to Bihar and Orissa, and about 9½ lakhs to Assam. As far as the match excise is concerned we propose to impose this at the rate of Rs. 2-4-0, per gross of boxes on matches made in British India. The collection of the tax is in the first instance to be in the hands of Local Governments working as agents for the Government of India, but the separate bill which I shall introduce on this subject has been so drafted as to render it possible to make other arrangements at a later stage if experience shows this to be desirable.

37. In imposing this duty at the present stage there are two complications of which we have to take account. In the first place it is essential to make arrangements with the Indian States, as the manufacture of matches can be easily shifted, and it would be impossible to work it effectively unless the working of the scheme applied to India as a whole. The great majority of the States in India have signified their willingness to enter into an agreement under which every State in which matches are made, or in which they may in future be made will recover a corresponding tax, paying the proceeds into a common pool along with the proceeds of the British-Indian tax; and the amounts of this pool will be

divided on an estimated consumption basis between British India and all the States that have entered into this agreement. The bill will include power to prohibit imports and this power is to be used against matches produced in any State that does not come into the agreement. It will of course be open to every State to come into the agreement even if it has no manufacture of matches at present and in that case it will get a share of the duty on a population basis. This proposed agreement with the States is merely intended to cover a provisional period pending the introduction of Federation. We cannot prejudice the position of retaining an excise duty on matches as a Federal tax, and we must safeguard the Indian Government of the future against any arrangement made now being held to weaken the position that the Federal Government under the new constitution will retain the whole of the proceeds of the match excise.

The second complication to which I have referred is that with the consent of the Government of India the Government of Burma had already two or three years ago imposed a consumption duty at the rate of 12 annas, per gross of boxes on matches manufactured in, or imported into Burma. This duty cannot be allowed to continue side by side with the proposed excise duty, and the Burma Government Act imposing the consumption duty is to be repealed. We do not, however, think it fair that the Burma Government should thus be deprived of the proceeds of a tax which they had been allowed to levy, and as the estimated proceeds from the tax at present amount to 18 lakhs per annum, we propose as a part of our general plan that this sum should be returned to the Burma Government. We estimate that in a full year the total proceeds of this excise duty for the whole of India will be 3 crores. Out of this on the population basis about 70 lakhs will be destributable amoung the States, leaving

2,30 lakhs for British India. It will not, however, be possible to introduce the scheme so as to recover more than 11 months revenue during the first year, so that the net revenue for British India, according to our budget estimates for next year will be only about 2,10 lakhs. After deducting 18 lakhs for Burma this leaves a balance of 1,92 lakhs which is only 3 lakhs more than 1,89 lakhs to be distributed on account of half the just export duty. If this 3 lakhs is retained by the Central Government the surplus of 16 lakhs to which I referred in an earlier passage will be increased to 19 lakhs.

38. There are just two practical features in our proposals that I wish to mention. The customs duties on matches are to be revised so as to comprise rates maintaining the existing measure of protection for the Indian industry over and above the new excise duty. The proposal for imposing this match excise duty is not included in the Finance Bill, but in a separate bill which I shall introduce at the earliest opportunity. The bill will provide for no concession in favour of the so-called "cottage industry," which really means nothing more than the dipping in chemical mixtures of splints made in factories and the pasting of paper wrappers and of strips carrying other chemical mixtures on boxes made from veneers made in factories. Any such concession would make evasion of the duty and an artificial attack on the position of regular match factories materially easy; and we are justified in allowing this consideration to prevail by the fact that the Tariff Board, in paragraph 134 of their Report regarding the grant of protection to the Match Industry, definitely advised against any special measures which would have the effect of encouraging match making as a "cottage industry" because it was not suitable for such operations both on economic grounds and because of the dangerously inflammable nature of the materials used.

'The case is different with the sugar excise, where we have to consider an important long established industry outside power-factories, and where the risk of evasion is in any case less because the proposed rate, relatively to value, is much less onerous than that proposed for matches. With sugar again the danger of an unnatural transfer of production to the States is also much less. On both these points, we propose, with the sugar excise, to do what we could not do with matches and to follow the precedent of the cotton excise; that is to say, the sugar duty will be confined to factory produce, and States which produce sugar in factories will merely be invited to impose an equal duty, for their own benefit, on production in their own territories.

39. I must add a few words as to the significance in relation to Bengal of the proposal to render it possible to surrender part of the jute export duty. I have already stated that it is necessary to stipulate, and indeed we feel sure that we shall be supported in this view by the Legislature and particularly by those members who represent other Provinces, that if this special assistance, out of what are under the present constitution Central funds, is to be given, it is fair that we should satisfy ourselves that the Government of Bengal is taking every possible measure on its own account to restore financial equilibrium. On the other hand the present, proposal is, as I have already stated in several connections, only intended as a provisional proposal. 'It is not intended to be a permanent commitment, nor do we intend to take the line that it is to be regarded as a full and final settlement of the Bengal Government's financial position. Further enquiries will have to be made before any such settlement could be reached, nor can it be reached until the constitutional plan is determined by the British

Parliament. There are several difficult points involved, amongst which I must mention the treatment of the debt which has already accrued against Bengal as a result of budget deficits which have been incurred since 1930. This debt on their present estimates would at the end of the next financial year amount to something approaching 7 crores. As regards the other Provinces which will receive assistance the position in their respect is just as provisional as in respect of Bengal. I may say, however, that we in the Government of India are prepared to recognise that there may be some special claim for assistance in the case of Assam, while as regards Bihar and Orissa, at least in present circumstances, I do not think that any Member of this House will grudge them this small windfall.

40. *Plan for dealing with Earthquake damage.*—This brings me to the last important item in our financial proposals for this year—our plan for helping to finance the measures rendered necessary by the recent earthquake. I have already mentioned one feature in this plan, namely that we propose to transfer our estimated surplus of 1,29 lakhs in the current year (or whatever the final amount of that surplus may be) to a special fund which will be utilised in assisting the Provinces, chiefly of course Bihar, which have suffered from the recent earthquake.

41. The problem of reconstruction with which the Government of Bihar and Orissa is confronted can conveniently be treated under four main heads.

(*a*) *Reconstruction of Provincial Government buildings etc.*—There is first the reconstruction of Government property chiefly buildings, though there has been some damage to canals. On such rough estimates as it has yet been possible to prepare the cost of repairing this damage may be put at

about 1 crore. Our proposal is that the Government of India should, as capital expenditure on its own account, provide half the cost of reconstructing and repairing their damaged property, and should make a loan to the Provincial Government of the remaining half through the Provincial Loans Fund.

(*b*) *Financial help to local Authorities.*—Secondly, there is the very extensive damage to the property of local bodies in Bihar, their roads and bridges, their schools, hospitals and dispensaries and so on, including the damage to what are known as aided schools, established through the benevolence of private individuals. A very rough estimate of the cost of repairing the damage is a rather over one crore. The resources at the disposal of these local bodies are entirely inadequate to cope with a disaster of this magnitude. Such help as they may be able to render will necessarily be very restricted. It would not be possible to assist them by means of loans requiring repayment, even if interest charges were made very low or remitted altogether, without crippling their activities for the future. In short, as they have lost for the time being the main sources of their income, it will be necessary to place them in funds with which to carry out their normal responsibilities until their income has recovered. For all these purposes we propose to make a free grant from central resources, that is to say, from the special fund already mentioned which is to be formed out of this year's surplus. It may not be possible to undertake and complete all the necessary rebuilding before the end of 1934-35 since it may not be until after the next monsoon that accurate knowledge will be available of the extent to which the drainage of the country has altered and foundations for buildings and bridges are secure. We are therefore providing in next year's estimates for expenditure of only 75 lakhs on this account, but I can assure the House that if it is found that more than

this can be advantageously spent we shall have no hesitation in providing the additional sum required.

(*c*) *Assistance to private individuals.*—Thirdly, there is the question of assisting private individuals to rebuild their houses and shops. To many of the poorest sufferers from the earthquake their small dwellings and shops must have been their sole asset; they have no cash which they can use, or credit which they can pledge, for restoring them, and it would be useless in most cases to proffer them assistance by means of loans on however favourable terms. It seems to us that this part of the problem must primarily be dealt with by means of free grants, and that these grants are eminently an object on which the Viceroy's and other relief funds should be expended, so far as they are not needed for immediate relief. The field is a very wide one but I am confident that the public, both here and in Great Britain, will respond most generously now that they know the magnitude of the need.

There is, however, another very wide class who, though they have not lost their all through the earthquake and would not be fit or even willing recipients of charity, are urgently in need of assistance to rebuild their house property, and to whom this assistance can most suitably be afforded by means of loans. We have been very actively discussing with the Government of Bihar and Orissa the plan for the grant of such loans and I had hoped to be in a position to-day to announce at any rate the main outlines of the scheme, but there are still some points to be settled. If it is in any way possible, I will give further information to the House at a later stage of our budget discussions. At the moment all I can say is that we have every intention of making available to the Provincial Government, on terms that will not be onerous to them, or to those who are ultimately to receive

the advances, whatever sum may be found to be needed for this purpose. I will not at present venture to give an estimate of what that sum may be.

(*d*) *Agricultural problems.*—Fourthly, there is the agricultural problem. It is known that there has been damage to agricultural land over wide areas in the north of Bihar due to the deposit of sand. The extent and severity of this damage, what measures can be taken to rectify it, and what the cost of those measures will be, cannot be known until a fairly detailed survey of the affected area has been made, and at present the flooded condition of a great part of the area makes such a survey difficult, though the Provincial Government have already taken steps to initiate it. I cannot therefore at the moment say in exactly what form our assistance will be given. All I can say is that we consider that the balance held by the Provincial Government in their Famine Relief Fund can be properly regarded as available for this purpose, and beyond that we propose to assure the Provincial Government of our financial support in any further action that may subsequently be decided.

42. I have dealt so far with the problems of permanent reconstruction. The principal necessities for immediate relief have been and are being met, energetically by the Provincial Government out of money which has been made available from the Viceroy's and other relief funds; but there is one way in which we propose to contribute towards immediate relief from central revenues. Seven of the sugar factories in North Bihar have been destroyed and two more have been very seriously damaged, with the result that cane growers in this area have been deprived of a market for about fifteen million maunds of cane. It is hoped to make arrangements for transferring the bulk of this cane with the necessary

expedition to factories in the south of Bihar or the east of the United Provinces, and the Railways concerned are prepared to carry it at very low concessionary rates of freight. But some portion at any rate of the cane cannot be dealt with in this way, and the Provincial Government are therefore providing country mills and other equipment in order to convert it into gur. We have informed them that we are prepared to bear the whole cost of this measure from central revenues; it will probably not exceed 5 lakhs.

43. I may sum up our proposals and their effect on our financial estimates as follows. We are undertaking to bear the whole cost of restoring the property and financies of the local bodies, which we put for the present at something over a crore, and the whole cost of the special measures for dealing with the cane crop, which we put at about five lakhs. We propose to meet this expenditure from the special fund to which this year's surplus, now estimated at 1,29 lakhs, will be transferred; and we expect to spend 75 lakhs from this fund up to the end of 1934-35. We are also undertaking to bear half the cost of restoring the Provincial Government's own buildings and other public works; this, on present estimates, we expect to cost us about fifty lakhs, which we mean to provide from funds raised on loan, and have allowed for in next year's ways and means estimates.

In addition we are undertaking the liability for the cost of any measures of assistance to agriculturists that may be decided upon, to the extent that it cannot be met from the Provincial Government's Famine Relief Fund, and we are undertaking to advance whatever capital may be required for financing rebuilding advances to those persons whose position does not warrant assistance in the form of charitable grants, on terms which will lay no undue burden on the

persons concerned or on the Provincial Government. I cannot as yet indicate what the final cost, if any, of these loan measures will be to Central revenues, or how we shall propose to meet it. For the present, so far as the ways and means position is concerned, we are assuming in our estimates a capital outlay of two and three quarter crores on loan measures and on the capital grant for restoration of the Provincial Government's property next year; so that with the 75 lakhs provided from the special fund, our estimates include three and a half crores for relief in one way or another in Bihar. If more is needed before the end of 1934-35, it will be provided. We trust that these proposals will be regarded not only as adequate, but generous. The fact that we can make them without serious embarrassment is an illustration of the value of maintaining a sound financial policy.

44. *Ways and Means.*—As indicated in an earlier passage of my speech we have succeeded in maintaining throughout the year the improvement in our credit both in England and in India, with the result that we have again been able to fund a much larger amount of our loan commitments than what I indicated in my budget speech last year. We have also been able to remit more than we anticipated, thereby further strengthening our currency reserves.

45. I will deal first with the latter. Honourable Members will realise that there is always a difficulty in presenting in the budget speech an accurate forecast of the total remittances, not only because it has to be based on estimates worked out some weeks earlier, but also because the budget is introduced at a time of the year when seasonal activities in remittance are at their height and transactions may be running into millions a week. The difficulty has been

increased in the current year by the developments in the last few weeks in the currency policy of the United States of America. One side of that policy has been still further to increase the dollar price of gold. This has been followed by a similar increase in its sterling price, with the result that gold exports have again been stimulated from India. Simultaneously, there has been in the last month some rise in the price of our export commodities, the price of cotton in particular having risen materially in Bombay, and this has further strengthened exchange. Thus though our estimates are based on the assumption that in the current year we will be able to purchase £37 to 46 millions, that figure may be materially exceeded. We have also assumed that no expansion or contraction of currency will be required during the current year. On these assumptions we will be able to continue the process hitherto followed this year of utilising the whole of the surplus of our remittances to England in strengthening our external currency reserves. The actual process has been the addition of sterling securities to the Gold Standard Reserve which has enabled us to transfer gold from that to the Paper Currency Reserve and against that cancel *ad hoc* securities. On these estimates we should be able in the current year to replace rupee securities with external assets in the Paper Currency Reserve to the extent of 17,73 lakhs, which means that we should close the year with our note issue covered by external assets to the extent of about 60 per cent. if gold is taken at its statutory value, or of 75 per cent. if it is valued at its present market price.

46. *Loans.*—In my last budget speech I estimated that we could effect a further reduction of 8 crores in our outstanding of treasury bills; that on the assumption that we converted 30 crores of our outstanding loans, we would only

require to borrow 4 crores in India; and that in order to repay the £7 million loan we should require to raise only £6 millions or 8 crores in London. I pointed out, however, that these figures were merely illustrative, and that our policy must, as always, be regulated by the necessity of seizing every opportunity of consolidating and improving our credit position. In fact we have been able very considerably to improve upon the estimate. As I have already stated, we expect by the end of the year to have replaced 17,73 lakhs of treasury bills in the Paper Currency Reserve by sterling securities. On the other hand our increased sterling remittance, which naturally meant that we had to raise rupees to pay for it, has resulted in our increasing instead of decreasing the amount of treasury bills held by the public in India. Instead of a reduction of 8 crores we contemplate an increase of 3,91 lakhs to 30 crores. We consider this a reasonable amount, which, so far from being embarrassing, is rather a convenience both to us and to the market—to us because we are able to borrow in this way at a very much cheaper rate than on funded loans, and to the market because they have now made the Government treasury bill a part of their financial machinery. The market has come to rely upon this as a convenient method for the investment of short-term money, and a floating stock of about 39 crores is by no means excessive for its requirements at a time like this.

47. The revenue benefit to Government from maintaining a reasonable volume of treasury bills is not merely due to the lower interest rate but also to the fact that this makes it possible to economise materially on our cash balances, by enabling us to avoid seasonal fluctuations which are inevitable if we have to depend entirely on our revenue receipts or on regular loans floated periodically for large amounts. In

pursuance of this policy we have supplemented treasury bills by borrowing of ways and means advances from the Imperial Bank throughout the year. In accordance with our usual practice, which is to use these ways and means advances merely to assist the money market by avoiding too rapid fluctuations in our treasury bills issues, we are budgeting for the entire extinction of the ways and means advances outstanding at the close of the year.

48. *Discharge of permanent debt.*—The details of the permanent debt discharge in India and in England during the current year are given below :—

INDIA (in lakhs of rupees.)

4 per cent. 1916-17	9,86
4½ per cent. 1934	12,98
5 per cent. Bonds 1933	4,22
5 per cent. War Loan 1929—47 ..	4,02
6 per cent. Bonds 1933-36 ..	8,89
Other loans	2,57
	42,54

ENGLAND (millions of pound sterling.)

6 per cent. 1933-35	2.62
6 per cent. 1933-34	9.96
Other loans	1.58
	14.16

In India we discharged 42,54 lakhs including the balance of the 5 per cent. 1929-47 loan and approximately 10 crores of the 4 per cent. conversion loan 1916-17. In England we

paid off the balance of the 6 per cent. Bonds 1933-35 and also paid off in their entirety the 10 millions 6 per cent. Bonds 1933-34. As against these repayments we floated one loan in India and two in England. The loan floated in India was the 3½ per cent. 1947-50 which brought us in 30,82 lakhs, while in England we floated two loans—the 4 per cent. stock 1948-53 for 11.7 millions and 3½ per cent. stock 1954-59 for £10 millions—of the latter we realised 6.85 millions during the current year and we will receive the balance of 2.85 in the year for which we are budgeting.

49. Our general programme has again been helped by exceptionally large receipts from Post Office Cash Certificates and Savings Bank deposits. Though we reduced the rate of interest on the latter from 3 to 2½ per cent. in the summer, and though we effected a further reduction in the rate on the former, the amount which we received in this way came to 16,90 lakhs as against the budget estimate of 8,40. The recent figures of receipts less withdrawals under these two heads are remarkable.

(In crores of rupees.)

Year.	Total.	P.O. Cash Certificates.	P.O. Savings Bank deposits.
1928-29	3.42	1.60	1.82
1929-30	5.34	2.70	2.64
1930-31	3.33	3.43	—.10
1931-32	7.32	6.15	1.17
1932-33	16.26	11.06	5.20
1933-34	16.90	7.80	9.10

They indicate that a large amount of funds is available for investment, possibly partly the proceeds of private gold realisations.

In another part of my speech I have invited attention to certain problems connected with the increase in the outstandings under the head of Post Office Cash Certificates.

50. *Capital Expenditure, Railways.*—Railway capital outlay for the current year is again less than the budget, amounting to 45 lakhs as compared with the budget estimate of 3,30 lakhs. The net effect on the ways and means position of the Railways is 2,55 lakhs more favourable. 7,78 lakhs had to be withdrawn from the Depreciation Fund balance to make up full interest charges, 6 crores for ordinary expenditure on renewals and 9 lakhs for loans to branch line companies, and as the credits to the Fund were 13,60 the net result in 1933-34 was a reduction of 27 lakhs, as against an addition of 3 lakhs anticipated in the budget, leaving a balance at the end of the year 11,79 lakhs as against 12,06 on the 1st April 1933.

51. *Provincial drawings.*—Provincial drawings for the current year were slightly less than those estimated in the budget, *i.e.*, 4 crores as against 4.37. To a certain extent this is due to the reduction in the rates of interest charged to provincial Governments on their borrowings from the Provincial Loans Fund made possible by our successful conversion operations. Unfortunately, though the position in the provinces as a whole was better than anticipated, others, particularly Bengal, afford particular problems which I have dealt with elsewhere.

52. *Next Year*, 1934-35.—I am dealing, in a later passage of my speech, more generally with our policy of capital expenditure and the possibility of its extension. For the purposes of our estimates, however, we have proceeded on the same lines as last year, though a less rigid policy is being followed by the Railways. We are budgeting for 4,68 lakhs as Railway capital outlay. We are also allowing 6,25 to

the provinces as compared with 4 crores during the current year. 2,75 lakhs of this will represent our estimate for the capital funds required in the course of next year for expenditure on the restoration of earthquake damage.

53. *Borrowing programme*, 1934-35.—With this low capital programme we are obviously in a very strong position. We have already dealt with all the loans the maturity dates of which afford us an opportunity of converting them. The only securities actually maturing for repayment next year are the 4½ per cent. Bonds of which 12,98 lakhs have already been converted during the current year, leaving a balance of 13,00. In England there is nothing. If we allow for receipts of 11,50 lakhs from the Post Office Cash Certificates and Saving Bank deposits as against 16,90 during the current year, this will mean that after taking into account the 2.85 million balance of the 3½ per cent. sterling loan which has still to be paid up, we will not require to float any regular loan either in India or in England. I must, however, in this connection make the usual reservation. These figures merely indicate our obligatory position. We have two large loans which we have the option to repay in London in 1935 and 1936 amounting to £29 millions or nearly 40 crores. We have also the 4 per cent. loan 1934-37 in India amounting to 19,54 lakhs, the 5 per cent. 1935 Bonds amounting to 11,43 and the 6½ per cent. Treasury Bonds also payable in that year amounting to slightly over 16 crores which it may be possible to convert if conditions are favourable. In addition even though we have now reached a very strong position as regards our sterling reserves, we must neglect no opportunity of further fortifying them if conditions are favourable. This may entail the further replacement of rupee Treasury Bills in the Paper Currency Reserve by sterling securities and a corresponding increase in our borrowings from the public.

As regards Treasury Bills held by the public, we consider that no reduction in their outstanding below 30 crores should be budgeted for next year for the reasons which I have already indicated. In present circumstances we consider this a convenient and reasonable figure.

54. *Home charges.*—In the early part of the year exchange was very steady, enabling us to effect substantial remittances. In the third quarter of October to December there was a falling off owing partly to the seasonal demand for money being later than usual, and partly to a temporary falling off in the exports of gold coinciding with speculation on the occasion of the discussion of the currency clauses in the Reserve Bank Bill. The passing of that Bill through the Assembly, however, coupled with the increase in the price of gold and of cotton to which I have already alluded, has changed the aspect in the last month, and we are now buying sterling on a large scale. As already explained, we have, for budgetary purposes, shown a figure of £37.46 millions of which we had already received up to February 20th over £36 millions as against our budget estimate for the whole year of £21 millions. We have, as I said, devoted the balance to a further strengthening of our currency reserves. In addition, we received 3.81 millions from the sale of silver. For next year we estimate that we will have to purchase 26.7 millions to fit in with the programme indicated above.

55. The position which I have thus explained is summarised in the following table, but if the actual figure of sterling purchases is higher than the present estimate the excess will, unless it is used to expand currency, be shown in the accounts as an increase in the outstanding of Treasury Bills held by the public in India with a corresponding reduction of the outstanding of Treasury Bills in the Paper Currency Reserve.

(In lakhs of rupees.)

	Budget, 1933-34.			Revised, 1933-34.			Budget, 1934-35.		
	India.	England.	Total.	India.	England.	Total.	India.	England.	Total.
	1	2	3	4	5	6	7	8	9
Opening Balance ..	*11,73*	*17,85*	29,58	*14,59*	*13,19*	27,78	*13,44*	*7,10*	20,54
Excess of Revenue over Expendture ..	*35,82*	*—35,57*	25	*32,56*	*—32,56*	..	*32,96*	*—32,77*	19
New Loan	*12,00*	*8,00*	20,00	*30,82*	*24,73*	55,55	..	*3,80*	3,80
Post Office Cash Certificate (Net)	*5,00*	..	5,00	*7,80*	..	7,80	*5,50*	..	5,50
Post Office Savings Bank Deposits (Net) ..	*3,40*	..	3,40	*9,10*	..	9,10	*6,00*	..	6,00
Other Unfunded Debt (Net)	*4,80*	*16*	4,96	*5,40*	*15*	5,55	*5,99*	*17*	6,16
Discount Sinking Fund	*75*	..	75	*—1,13*	..	—1,13	*89*	..	89
Reduction or Avoidance of Debt	*6,88*	..	6,88	*3,00*	..	3,00	*3,00*	..	3,00
Railway Depreciation Fund	*3*	..	3	*—27*	..	—27	*—35*	..	—35
Posts and Telegraphs Depreciation Fund. .	*39*	..	39	*36*	..	36	..	..	..
Defence Reserve Fund	*—62*	..	—62	*9*	..	9	*—50*	..	—50
Cash Balance Investment Account. ..	..	..	..	*46*	..	46	..	..	..
Cash Certificate Bonus Fund	*1,35*	..	1,35	*70*	..	70	*1,10*	..	1,10
Other Deposits and Advances (Net) ..	*—48*	*—1*	—49	*—1,27*	*81*	—46	*1,31*	*—3*	1,28
Total ..	*69,32*	*—27,42*	41,90	*87,62*	*—6,87*	80,75	*55,90*	*—28,83*	27,07
Grand Total ..	*81,05*	*—9,57*	71,48	*1,02,21*	*6,32*	1,08,53	*69,34*	*— 21,73*	47,61

(In lakhs of rupees.)

	Budget, 1933-34.			Revised, 1933-34.			Budget, 1934-35.		
	India.	England.	Total.	India.	England.	Total.	India.	England.	Total.
	1	2	3	4	5	6	7	8	9
Capital Outlay—									
Railways	*2,00*	*1,30*	3,30	*—75*	*1,20*	45	*2,96*	*1,72*	4,68
Posts and Telegraphs	*16*	..	16	*16*	..	16	*40*	..	40
Civil	*46*	*1*	47	*53*	*1*	54	*83*	*1*	84
Commutation of Pensions	*61*	..	61	*85*	..	85	*49*	..	49
Gratuities to retrenched personnel ..	*—1*	..	—1	*3*	..	3	*—3*	..	—3
Discharge of Permanent Debt	*28,95*	*8,14*	37,09	*42,54*	*18,88*	61,42	*13,24*	*3,00*	16,24
Discharge of Treasury Bills—									
Public (Net)	*8,00*	..	8,00	*—3,91*	..	—3,91	..	..	..
P.C.R. (Net)	..	..	..	*17,73*	..	17,73	..	..	..
Sinking Fund Investment Account ..	..	..	..	*—1,45*	..	—1,45	..	..	..
Gain or loss on sale, etc., of assets of the Paper Currency Reserve	..	..	..	*7,89*	..	7,89	*5*	..	5
Loans to public (Net)	*—19*	..	—19	*28*	..	28	*1,49*	..	1,49
Sale of Silver (Remittance Account) ..	*50*	*—50*	..	*5,08*	*—5,08*	..	..	..	..
Iraq Drawing	*80*	*—80*	..	*76*	*— 76*	..	*73*	*—73*	..
Home Remittances	*28,00*	*—28,00*	..	*50,00*	*—50,00*	..	*35,60*	*—35,60*	..
Transfers through the Gold Standard Reserve and the Paper Currency Reserve	*—50*	*50*	..	*—31,75*	*31,75*	..	..	..	..
Provincial requirements	*1,15*	*3,22*	4,37	*78*	*3,22*	4,00	*3,09*	*3,16*	6,25
Total ..	*69,93*	*—16,13*	53,80	*88,77*	*—78*	87,99	*58,85*	*—28,44*	30,41
Closing Balance ..	*11,12*	*6,56*	17,68	*13,44*	*7,10*	20,54	*10,49*	*6,71*	17,20
Grand Total ..	*81,05*	*—9,57*	71,48	*102,21*	*6,32*	1,08,53	*69,34*	*—21,73*	47,61

Economic prospects.

56. My speech has been mainly concerned—as a Budget speech must be—with the public finances of India, and the measures which I have described or proposed have been concerned with the object of maintaining public finances in a sound condition.

57. But in order to form a proper judgment on the public financial policy of a particular country it is necessary to cast one's vision wider, and to take account not only of the relations between that country and the rest of the world, but also of the reactions of its financial policy on the general well-being of its people. We must, in short, recognise on the one hand that financial policy is only a means to an end—the general prosperity of the country—and on the other hand that no country can to-day shape its destiny independently of the rest of the world. The former consideration is very present in the minds of our critics; the latter often tends to be forgotten. I wish to say something on both.

58. It has been a charge frequently made in this Assembly against the Government of India—and I have little doubt that it will be a charge repeated in the present Budget debates—that we have thought too much of theoretical financial principles, and too little of the conditions of the country; or again that when other governments have set themselves to constructive economic planning, we have drifted and done nothing. I should be the first to admit that there is room for honest difference of opinion on these matters, and the only aspect of such charges which I should resent is that we have been drifting in the matter. Whatever we have done has been done as a matter of deliberate policy decided after much thought. If one looks round the world to-day, it is quite

clear that among the various countries there are different schools of thought. The recent crisis has created such irrational reactions that old theories of financial principles are being in many places questioned. It is an interesting study to analyse the budgetary policies of various countries and the effects which these have had. Thus one finds certain countries that are deliberately incurring heavy budget deficits either as an inflationary measure designed to create employment or because they do not feel that the economic condition of the country can stand further taxation. There are other countries which consciously incurred deficits during the first years of the crisis, in accordance with what one may describe as a 'fat and lean years' principle, but which now, after having experienced the adverse influence of continuing deficits on Government credit, are making strong efforts to restore a balanced budget. Lastly there are the countries which have never departed from their observance of the old fashioned principles of sound finance. This has been generally characteristic of the countries comprised within the British Empire, and among them India has been a notable example.

59. Now there are two observations which I have to make on this comparison. The first is that whatever the difference in policy between various countries, increases of taxation and drastic retrenchment, including cuts in Government officials' pay, have been practically universal features; so that in no country is the picture a rosy one. My second observation is much more important. Whereas those countries which have preserved a balanced position know where they are and have faced their troubles as they have arisen, those that are piling up deficits and public debt are evading their difficulties and postponing them till the future. They are relieving the taxpayers of to-day in the hope that the tax-payers of

to-morrow will be able to bear the burden, for one thing is certain that the burden has ultimately to be borne in some form or other by the people of the country. Even if a Government repudiates its liabilities the people of the country have to bear the burden, and in that case it is those who have trusted the government and lent it money and not the general body of taxpayers that must pay. Now it is obviously impossible for me at the close of a long Budget speech to attempt a full examination of all the issues that are involved in this subject. I will only state that we firmly believe that the best policy for India has been to preserve the traditions of sound finance and that by doing so we are helping to create the safest conditions in which her traders and manufacturers can do their business. We believe that it is better to face economic troubles when they come and that revenue and expenditure should be adjusted to meet the need rather than that the need should be hidden and disguised. We believe that that is the best course for the present and still more with a view to the future. And in this latter respect I would remind the House that we who are carrying on the Government of India to-day, have a special responsibility, for we expect to be succeeded in the near future by an Indian Government under the new Constitution. It would have been a poor service to India on our part to shirk our troubles and leave their accumulated weight to handicap the first years of the new Government.

60. I believe that the country as a whole supports us in our adherence to these principles and certainly the attitude of this Assembly in the past 3 years—which I gratefully acknowledge—encourages us in this belief. But to any who may entertain doubts in the matter I recommend a careful study of what is happening in other countries. We are often

advised, for example, to look to Japan as a model, and indeed we recognise that we have much to learn from that remarkable nation. But I wonder if there is a single member of this House who would wish us to follow their financial policy. According to recent press telegrams in order to make up the deficit on the current year, it has been decided to raise 881 million yen by loans. That means the equivalent of nearly 120 crores of rupees at par, and even at the present rate of exchange about 70 crores. Last year they had a deficit covered by loans of over 1,000 million yen. Would India like to face accretions to her public debt on this scale ?

61. But assuming that we have public support in this respect, there is the further charge that we have done nothing in the way of a constructive economic plan to offset the effects of the present depression. As to this, before discussing the possibilities of an economic plan, let me repeat once more that we believe that the maintenance of a sound position as regards public finance and currency is the contribution which a Government ought primarily to make towards economic recovery, for, unless the country is prepared to support the Government in a complete control of economic activities in supersession of private enterprise, its primary duty is to create conditions in which private enterprise can operate with security. We hope by our own financial policy to be able to preserve conditions of cheap money which will in themselves be an encouragement to commercial and industrial enterprise. We hope also thereby to preserve stability of currency without which international trade cannot flourish. And lastly we hope to be able thereby to sustain our power to finance capital expenditure on sound projects by the various Government authorities in India, as to which I shall have more to say later. It is important to bear these

overriding considerations in mind, when the question of a so-called economic plan is brought up. As to this, in the past Honourable Members used to ask us to look to Russia as a model. To-day the example generally quoted is that of the United States. Now though the methods in both cases are very different, there is this similarity that in each case it has been proved necessary to create departments of Government exercising large powers of control over every phase of industrial, commercial and agricultural activity of the country. The machinery of the Government of India is not adapted to such a purpose, nor do I believe for a moment that the country would tolerate such a measure of control. But quite apart from that the real practical question is—has any necessity for such drastic measures arisen in India? I doubt whether many people in India appreciate how serious the situation was in the United States of America. President Roosevelt's plan has been accepted because of the desperate need which existed for drastic action. The whole machinery of banking and industry was in danger of breaking down. Since 1929 more than 6,000 banks had failed involving deposits of five thousand million dollars—many more were carrying on and are still carrying on on a restricted basis. From 1929 to the spring of 1933 the numbers employed in factories fell by a half, the total wages by two-thirds and the wage per employee by 30 per cent. In March 1933, 21 million persons out of a total population of 120 million were living on public relief—many more were unemployed and living on savings and charity. And that was the state of affairs after the previous government had made desperate attempts and pledged hundreds of million dollars of public credit to stem the fall in prices and produce a so-called economic plan. In India we have no situation comparable to this.

62. But even if there is no occasion in India for such drastic measures, it certainly does not follow that Government should not have a definite policy, or that its duty is not at every point to assist the economic well-being of the country. We have had such a policy. Our position has had its special difficulties in other ways, for we have had to take into account not only the economic but the constitutional position. As I have already shown when the crisis first came upon us, our credit was severely strained and the debt position was such as to give cause for anxiety. This was the result partly of past commitments, partly of the fall in our export trade, and partly of constitutional uncertainty which affected the confidence of many investors in Government of India securities and holders of property in India. It was the first task of Government to safeguard and restore the position as regards credit and revenue resources, not only for the ordinary and obvious reasons, but also for special reasons connected with the constitutional position such as the setting up of a Reserve Bank. We may surely claim that the improvements which I have already described represent a substantial achievement in this direction. But that of course is not the whole of our task. While the position thus created must be preserved, we must also consider whether on the foundations thus strengthened we can construct an economic policy to improve conditions in India.

63. That has had the constant attention of Government, not merely as an emergency measure in the present crisis, and it is worth while to attempt some review of the results. In the first place it is fair to claim that as a result of Government's industrial policy, this period of world depression, when, to take only one instance, the steel production in the United States fell at one time to 10 per cent. of its capacity,

has actually been a period of industrial expansion in India. Speaking in a recent debate in the Assembly, I gave some illustrations of this from the main industries. Taking the index figure of industrial activity in the year 1928 as 100, I pointed out that as regards textiles for the first ten months of 1933, while the United Kingdom, the United States of America and France all showed falls ranging up to 25 per cent., India showed in the same period an increase of 41 per cent., as compared with an increase of 34 per cent. in Japan. Also taking steel production as another illustration, while the United States in 1933 showed a reduction of 54 per cent. and France and the United Kingdom reductions of 30 and 20 per cent. respectively, India showed an increase of 75 per cent. as compared with an increase of 55 per cent. in Japan.

64. At the same time other industries have been growing remarkably. The sugar industry is a case in point. By 1935 it is estimated that we shall produce in India the whole of the white sugar which used to be imported from Java, and indeed, as I have already said, there is now a danger of this process going too fast and too far. Let me quote yet another interesting example. The consumption of cement in India has increased from 387,932 tons in 1924 (Indian production 263,746 tons, imports 124,186 tons) to 689,515 tons in 1933 (Indian production 625,860 tons, imports 63,655 tons). At the same time there is no doubt that in the last two years, partly aided by the high level of our revenue duties, there has been a general and marked development of minor industries in India. The Indian Stores Department, which is constantly encouraging this development, though its work does not receive the recognition which it deserves, can give interesting illustrations of this. Thus they report that marked develop-

ments are now going on in Indian industries manufacturing a wide range of articles such as electric lamps, and all kinds of electrical appliances, rubber tyres, water-softening plant, cooking stoves, absestos cement products, paints and enamels—to mention only a few instances, while in recent years there have been well-known developments in the Indian manufacture of railway rolling stock, bridge work and heavy structures in the case of which India is now able to manufacture all her requirements. Apart from these actual developments many new projects for the establishment of important factories are now under consideration.

65. Now all this is in accord with a policy deliberately adopted by Government—the essential idea being that, if the standard of living is to be raised for the increasing population of India, industrial employment must be expanded to supplement the agricultural opportunities of the country.

But, it will be said, "industrial development is only a small thing for India compared with the condition of the agricultural masses. Their well-being is of overwhelming importance and they are being reduced to dire straits by the present low level of prices." If by such criticisms it is meant that the Government of India has ignored agricultural development, that charge surely will not stand examination, for the irrigation projects of India have been an example to the world, and are on a scale which makes projects in other countries shrink into insignificance. But if it is meant that the very magnitude of these projects, and the increase which they have brought about in productive capacity, set up a need for Government to give guidance as to the utilisation of that capacity and the disposal of the products, or again if it is meant that industrial development may react

unfavourably on agriculture if it restricts unduly India's purchases of manufactured goods from other countries on which she has relied as customers for her own agricultural exports, or lastly if it is meant that the recent fall in prices has given rise to other problems of special difficulty in regard to the agricultural masses, then such criticisms point to matters which deserve serious consideration. They certainly have been receiving that consideration from Government.

66. The question of the present condition of the agricultural masses of India has been so much discussed that I do not wish to enlarge upon it at great length. Yet there is so much confused thought about it that I must say something.

There is one thing on which all sides would agree, and that is that the paramount need is to raise the level of prices of agricultural commodities; and starting from this position there are many who argue that we should restore prosperity to India if we raised the level of rupee prices by the mere dodge of reducing the value of the rupee. We cannot believe that this would achieve its object. It would, of course, if the prices of all goods responded, reduce the burden of the fixed money charges which the cultivators have to pay—taxes, interest and rent. But it would do nothing to solve what is really one of the main maladjustments to-day, namely, that the prices of primary agricultural products have fallen much more than the prices of the things which the agricultural producer has to buy. Nor could the mere raising of rupee prices do anything to stimulate the demand for Indian produce in foreign markets, and this export demand, although it is only a percentage of the whole, represents the margin which makes all the difference to India's prosperity. Moreover a great danger lies in the reaction which might come

from such a course ; for if, for example, the rupee prices for a product like jute were raised by a depreciation of the rupee, there might be a great stimulation of the cultivation of jute ; but there would be no increase in what our export markets could absorb. This might lead to a serious crisis. One cannot dodge the realities of the situation in this way. There are some illuminating remarks on the effects of monetary manipulation and the depreciation of the dollar on agricultural interests in the annual report of the United States Ministry for Agriculture issued last December :—

"It raises the prices of export of speculative commodities, such as wheat, cotton, and corn, much more than it does the prices of milk, hogs, beef, cattle, poultry, and other non-speculative commodities sold mainly in the domestic market. Moreover, it also raises the prices of the things the farmers buy ..... By itself monetary action does nothing to change a maladjusted situation for the better. Indeed, it may tend to prevent a favourable change by temporarily hiding the need. Inflation is not a cure-all ..... There are certain fundamental factors which must be handled otherwise. To control these factors in the world of to-day, with its multitude of trade barriers, requires for the time a production control which is obnoxious to every class in our society."

67. It is a remarkable fact and one that is not generally appreciated that in India so far we have not had to resort to any production control of this kind, and yet our exportable products have somehow or other throughout the crisis found a market in the outside world. We have no dangerous accumulations of unsaleable stocks and we have escaped so far some of the worst problems which have afflicted other agricultural countries.

Moreover an examination of the figures of India's main agricultural exports shows that the quantities of these have kept up remarkably well as compared with the high average of the years 1920 to 1930, and that on the whole the year 1933 shows a definite improvement over 1932. It shows also India's adaptability, for there have been striking increases in the quantities exported of certain articles such as groundnuts, linseed and oilcake which have partially balanced falls in more important articles like cotton. (*See* summary table below.*)

68. If we want to approach this matter in a practical way, there are three main problems to consider:

First, how to deal with the increase in the real burden of the fixed money payments of the agriculturist due to the fall in prices and the accumulation of debt which is resulting therefrom;

Secondly, how to increase the internal demand for India's agricultural produce;

Thirdly, how to improve the external demand.

69. As to the first, there have been many alleviating factors which have resulted in the avoidance, so far, of any really urgent crisis. The various Provincial Governments have made substantial remissions in land revenue and water

**Summary of India's main agricultural exports comparing figures for 1933 with average of 10 years 1920-30. (Figures for 1932 are shown in brackets.)*

	Quantity.			Value.		
	Average of 10 years ending 1930.	1933.	Percentage.	Average of 10 years ending 1930.	1933.	Percentage.
1. Jute (Raw and manufactured) .. .. Tons (000)	1,499	1,407 (1,176)	94 (78)	Rs. (lakhs.) 72,84	Rs. (lakhs.) 32,37 (31,49)	44 (43)
2. Cotton, raw .. .. Tons (000)	616	466 (286)	76 (46)	69,09	25,74 (16,03)	37 (23)
3. Tea .. .. lbs. (million.)	346	324 (368)	94 (106)	27,06	19,04 (16,59)	70 (62)
4. Rice (not in husk) .. .. Tons (000)	2,067	1,829 (2,076)	88 (100)	36,98	11,42 (17,16)	31 (46)
5. Hides and skins (raw and tanned) .. .. .. Tons (000)	70	56 (42)	80 (60)	13,95	9,13 (7,76)	65 (56)
6. Groundnuts .. .. Tons (000)	448	586 (472)	131 (106)	11,21	7,78 (8,11)	69 (72)
7. Linseed .. .. Tons (000)	257	347 (77)	135 (30)	6,21	4,22 (97)	68 (16)
8. Oilcakes .. .. Tons (000)	213	290 (293)	136 (138)	2,37	1,78 (2,06)	75 (87)
9. Wool, raw .. .. lbs. (million.)	45	49 (31)	109 (69)	3,89	1,74 (1,43)	45 (37)
10. Lac .. .. cwt. (000)	539	565 (438)	105 (81)	7,37	1,60 (1,40)	22 (19)
11. Coffee .. .. cwt. (000)	217	174 (171)	80 (79)	1,68	1,02 (1,08)	61 (64)
Total of above 11 items				2,52,65	1,15,84 (1,04,08)	46 (40)
Grand Total of all Exports				3,12,59	1,44,01 (1,34,76)	46 (43)

rates. Landlords have not pressed for their full rents India's ancient money-lending system has proved elastic and generally speaking demands for repayment of debts have not been pressed. As a result the great mass of agriculturists have had enough to eat and a sufficient margin in cash not only to pay taxes at the reduced level but also to maintain at a fairly reasonable level their purchases of necessities. The figures for the consumption of the main necessities of the poor, salt, kerosene and cotton piece-goods demonstrate that in broad outline this is the position.

In my budget speech of last year I gave some figures showing how the consumption of these articles in 1932 compared with the average consumption during the 10 years of post-war prosperity 1920-30. Even allowing for the increase of population, the figures were remarkable when considered in relation to the fall in prices of agricultural products. The figures for 1933 show that the consumption is still maintained at a high level though there is a slight decrease from 1932. Taking the figures of local production *plus* imports as representing roughly the level of consumption, then for 1933 the figures for cotton piece-goods work out at 11 per cent. higher than the 1920-30 average, for salt at 4 per cent. lower and for kerosene at 8 per cent. lower.

The following table brings out the figures :—

Indian production plus imports.

(Figures for 1932 in brackets.)

	Quantity.			Value.		
	Average of 10 years ending 1930.	1933.	Percentage.	Average of 10 years ending 1930.	1933.	Percentage.
				Rs. (lakhs.)	Rs. (lakhs.)	
Cotton piece-goods—Mill-made .. .. yds. (millions.)	3,677	3,759 (4,327)	102 (118)	131,72	84,62 (99,40)	64 (76)
Hand-loom .. .. ,,	1,246	1,700 (1,500)	136 (120)	44,85	37,40 (34,46)	83 (77)
Total Cotton piece-goods	4,923	5,459 (5,827)	111 (118)	176,57	122,02 (133,86)	69 (76)
Kerosene oil .. .. Gal. (million.)	232	213 (235)	92 (101)	17,73	13,20 (16.27)	74 (92)
Salt .. .. Tons (000)	1,965	1,884 (1,954)	96 (99)	12,74	10,54 (10,98)	82 (86)
Total ..				207,04	145,76 (161,11)	70 (77)

70. But the fact that we have survived without disaster so far does not mean that serious problems are not being set up. It is a question of how long the present state of affairs can continue. Undoubtedly in the early stages of the depression savings in cash and other forms were drawn upon, and this cannot last for ever. Moreover the accumulation of arrears of rent and interest may lead to a serious situation. We have throughout watched this situation carefully in close consultation with Provincial Governments, and we have now with the cordial approval of these Governments arranged to have a conference early in April at which we can together review the whole situation and consider this problem of indebtedness together with all possible lines of concerted action to improve the general economic situation. The problem of indebtedness is one of immense difficulty and has many reactions, and I may say that our present view is that a solution is not likely to be found by any heroic attempts to equip India in the midst of this crisis with some entirely new credit system different to that which has grown up as a result of centuries of experience. It needs sympathetic but cautious handling and the co-operation of all concerned.

71. Turning from this I come to what I have stated as the second problem, namely, how to increase India's internal purchasing power for agricultural produce. The development of India's own industries is one method which, as I have shown, has been for a long time followed and which has gone much further than most people realise; but we must never forget that this has another side to it, and that if we produce what other countries used to sell to us, their purchasing power for our exports will diminish, *unless* we can raise the general standard of living in India and provide an

increased market capable not only of absorbing the products of Indian industries, but also of continuing the use of imported commodities. This opens out an interesting and intensely important field of work, and it is a field in which industrialists themselves ought to take an active part and not shift all the burden on to Government. In other countries the producing industries are alive to the need of themselves developing the demand for their own produce. An interesting example of this is the recent development of the canning industry in the United Kingdom. This development was promoted mainly by the tin plate manufacturers, and has, in the short space of two or three years, resulted not only in the use of some hundreds of thousands of tons of steel in the form of tin plate, but has brought great benefits to the fruit and vegetable growers and to the fishing industry by providing new profitable openings for their products.

Possibly there is no opening in exactly the same field on this scale in India, but this incident affords an example which might furnish ideas in other directions. I venture to think that much is to be gained by co-operation between Indian and British manufacturers in this matter. The British organisations have much experience and might help with ideas for developing Indian markets, and if by a joint effort a greater consumptive demand—say for iron and steel products or electrical plant—can be developed in India so that there is room for both Indian and British industries to find an increasing market, the benefit to India would be immense for India would benefit in three ways, first by increasing her own industrial market, secondly by improving the standard of living of her people, and thirdly by finding an increased market for her agricultural exports in the United Kingdom in exchange for the United Kingdom imports into India. That much can be done in India by well planned propaganda

designed to increase the demand for a particular product is shown by the striking figures which I have already given of the development of the Indian cement industry. Let us from this Legislature appeal to the Indian industraliasts to adopt an active and broad-minded attitude in this matter. If Government can encourage any developments in this direction their support will whole heartedly be given.

72. Turning again to action for increasing India's internal purchasing power, which Government on its own initiative can take, there is one method which has often been mentioned in this House, that of stimulating purchasing power by undertaking expenditure on public works and other projects. This method is obviously worthy of consideration, but if it is to do good it must be governed by certain essential conditions. It must be directed mainly to purposes which will directly or indirectly increase the economic strength of the country, and it must not be employed beyond what the credit and resources of the country will stand—for such expenditure means raising loans and paying interest upon them. This means that the extent of the possible application of this method is limited, and therefore that it should be applied at the time when it can have the maximum effect. It is like a medicine which will be most effective if it is given to the patient just at the moment when it will help him to turn the corner. It is quite possible that the proper time has come when we may utilise this method with beneficial results. On the one hand there are signs that the weakening processes of increasing economic depression have been checked and that there is a tendency towards recovery which with a slight stimulus might really take a hold on the situation. On the other hand we have so strengthened our credit position that we can look forward to being able to raise money without straining our

credit and on easy terms. For all these reasons we have been diligently exploring possibilities. As my Honourable colleague, Sir Joseph Bhore, announced in introducing the Railway Budget, we have this year made quite a substantially increased allotment for works expenditure on the railways, and as a matter of financial policy we have informed the railways that we can now encourage sound projects of capital expenditure. We have also as another step in this direction reopened the Delhi Capital project and have a programme for buildings amounting to about 1 crore on hand. We are offering generous assistance to Bihar and Orissa for their earthquake rebuilding programme. We have removed the ban on capital expenditure in the Provinces and have pressed them to consider road construction and other development programmes for which we are prepared to offer facilities at the lowest possible rates of interest. The Provincial Governments have naturally shown caution in taking up these ideas for they are having a hard struggle to maintain equilibrium and do not wish to mortgage their future by heavy loan charges. In any case this is a line of policy in which the main initiative must be taken by the Provincial Governments and it is one which we propose to explore fully with them at the forthcoming conference, to which I have just referred.

73. I come lastly to the possibilities of improving our position in export markets. This is the most difficult problem of all, for the factors lie so largely beyond our control, but nevertheless a good deal has been done. As everyone knows, one of the worst features of the present depression is the drying up of international trade. Causes and effects are inextricably mixed together, but the fact remains that all countries in order to protect their own position have had recourse to increasing economic nationalism

supported by tariff barriers and exchange restrictions. In these circumstances the world's trade is becoming increasingly subject to artificial regulation, and no country can hope to maintain its position without an active and carefully thought out policy. I would classify the possibilities under three heads. In the first place it is possible for groups of nations to get together and by agreement preserve a favourable regime for mutual trading with one another, which will be effective to the extent that their needs are complementary. There is only one important group which has made a start on these lines, and India is fortunate to be a member of it. I refer of course to the British Commonwealth of Nations and the Ottawa agreement. Already that has helped us and its beneficial effects are apparent in several cases. I cannot attempt in this speech any detailed examination of those effects, on which the Commerce Department has promised to furnish a full report later in the year. But I may call the attention of the House to certain striking facts, such as the increases during 1933 in our exports of linseed and rice,* and the great value of our exports of tea† to the United Kingdom, all of which are largely dependent on our preferences in that market. But perhaps the most impressive illustration of the increasing value of the United Kingdom market to India is to be obtained from the general trade figures.‡ Whereas the value of India's exports to all other countries, expressed as a

* Exports of rice to the United Kingdom in 1933 were 275,000 tons as compared with 138,000 tons in 1932 and an average of 42,000 tons in the 3 years 1927-29.

Exports of linseed to the United Kingdom were 107,600 tons in 1933 as compared with 10,900 tons in 1932 and an average of 54,000 tons in the three years 1927-29. (*See* table in Appendix II.)

† Indian exports of tea to the United Kingdom amounted in value to 16·68 crores out of total exports of 19·4 crores.

‡ *See* table in Appendix III.

percentage of their average value for the 10 years 1920 to 1930, amounted in 1932 to 40 per cent. and in 1933 to 41 per cent., the same percentage figure for the value of exports to the United Kingdom was 53 per cent. in 1932 and increased to 62 per cent. in 1933. Or, to illustrate the increase in another form, I may point out that during the 10 years 1920 to 1930 the United Kingdom took 22½ per cent. of India's exports, while in 1933 she took over 30 per cent. Obviously therefore the prosperity of the United Kingdom and favourable trade arrangements with her are of immense importance to India.

I believe that the arrangement started by the Ottawa agreement is capable of much wider extension, and that the members of the British group of nations—India in particular—ought to be constantly engaged in a scientific study of the position, exploring new opportunities for mutual exchange. It would surely be advantageous if all these nations could co-operate in some permanent organisation for the furtherance of this purpose. But if India is to obtain benefit in this way it needs a broadminded outlook, for as I have already pointed out no country can hope to sell more to others unless it is ready to buy more from them. The efforts now being made by the Lancashire interests to increase their power to absorb Indian cotton is of welcome significance as a sign of British appreciation of this truth. It seems to me that there are encouraging signs of a growing recognition of the same truth in India. The better relations set up as a result of the recent delegation from Lancashire, and the agreement concluded by the Millowners' Association, under the courageous leadership of my honourable friend Mr. Mody are likely to prove of incalculable value, while I am one of those who believe that those Indians who represented India at Ottawa, and who supported the agreement in this Assembly,

have done a lasting good to their country, and especially to the agricultural masses.

The second possible line of policy is in the form of bilateral agreements which on broad lines arrange for an exchange of goods between two countries leaving individual traders to work out the actual operations. An example of this is the recently concluded agreement with Japan which has secured the market for a large part of our exportable surplus of cotton.

Thirdly there remains the field of ordinary trade unaffected by special agreements. In the reduced field left for this we may be certain that competition will become ever fiercer, for even when a country has a monopoly of a particular article, such as India has of jute, there are substitutes to be taken into account. One of the most urgent tasks for the future is to ensure the position of India's products in world markets by improving their quality and grading. We recognise that Government has a responsibility in this matter, and we have just taken an initial step in deciding to bring out a first-class marketing expert, who will start by undertaking *ad hoc* enquiries as to certain of our important crops, and who may then advise as to the setting up of a permanent and larger organisation.

74. Now in working on all the three main lines which I have mentioned it is essential that Government should be able to give scientific study to the problems and have accurate statistical knowledge as to its own position. We have made several changes lately in our organisation in order to facilitate this. We have for some time had an economic sub-committee of Council, and we have recently set up a central bureau for Economic Intelligence and Statistics at Government headquarters, which provides the permanent expert organisation for the Economic sub-committee. Further developments on

these lines will depend on the recommendations to be made by the two economic experts from England—Professor Bowley and Mr. Robertson—who are now examining the position in consultation with three Indian economists.

75. The sum and substance of what I have said is this : Great opportunities have been created in India for agricultural and industrial expansion, and that has been proceeding even in recent years. The economic machinery has worked steadily without breakdown even through these years of unexampled difficulty. The worst that can be said is that it has worked at an unduly small margin of profit and that there may be an aftermath of special problems arising out of the changes in the relations between money and goods. What is needed now is carefully directed action to deal with these special problems, combined with planning to take the fullest advantage of India's potentialities of production, and in doing this we must recognise that India cannot thrive alone or independently of the prosperity of other countries. That should be our purpose rather than the construction of entirely new machinery or the imposition of Government control on every sphere of economic activity, and I would again remind Honourable Members that this control and a very drastic restriction of agricultural production is an essential feature of the price-raising methods included in plans like that of the United States. That Government fully recognises the needs which I have stated and is taking action for dealing with them will, I hope, be apparent from what I have said.

The appreciation which I have given seems to be a fair one on the basis of all that has happened hitherto ; but no responsible man could be rash enough to claim that in these disturbed times he could foresee all that may happen in the

future. New troubles may come upon the world or upon India and with them perhaps the need for new policies and more daring experiments. Let us hope that that need may not arise.

76. I have dwelt at rather great length on a subject which some might consider to be outside the scope of a budget speech, but the finances of a country are only a reflection of its economic position and I make no apology for trying to relate my account of the former to a wider setting.

Before closing, however, I must revert shortly to the actual Budget proposals. I trust that Honourable Members will give these proposals calm and fair consideration on their merits. I fully recognise that any suggestion of new taxation in present circumstances cannot be very welcome. Nevertheless I trust that further reflection will encourage the view that in all the circumstances these proposals are right and in the interests of the country. They represent a definite plan framed with an eye to the future, and with the idea not only of maintaining equilibrium for the Central Government but of laying, in advance of the new constitution, the foundations for a financial position in which the Provincial Governments, in whose hands lies the responsibility for fostering the so-called nation-building services, may have some possibility of expanding revenue. If this is to be done it is absolutely necessary to broaden the basis of indirect taxation, and this necessity becomes all the greater if industries are to be developed in India thereby reducing her foreign trade and the receipts from customs duties. The story of sugar is an instructive one as an illustration of the cost of protection to the general tax payer and consumer. The public may consider the result worth the cost, but the cost has to be met. It is in the light of these considerations that the new excise

duty proposals should be viewed. On the other hand, while these new measures of taxation have seemed to us to be right, we have also attempted to make a start in the relaxation of burdens in cases where such relaxation might be expected to prove economically beneficial. We have not been able to afford large experiments in this direction, but the abolition of the export duty on hides and the proposals for the reduction of charges on telegrams and postage of letters are experiments which will enable us to test the situation, and possibly if they prove successful, in the near future, to undertake further measures in this direction.

In proposing a reduction in the Debt Avoidance provision we have looked on that as a margin of strength on which in the present exceptional circumstances it is legitimate to draw. Hitherto the revenue estimates have been on such an uncertain basis, and there have been so many unrealised possibilities of deterioration in our position (the potential loss on sugar import duties, for example) that it seemed wise to maintain the full provision partly as a margin of reserve against these contingencies. And indeed it has so proved. Now, however, these contingencies have to a great extent been faced as realities, and in general we may feel that as regards our Revenue estimates we are on a much more solid foundation than at any time since the crisis began. I will not be so rash as to prophesy for the future or to use words which might be quoted against my successor. But this I may say—that in our proposals we are providing fairly for all the needs that can be foreseen, that we seem to have touched bottom, and that if the tendencies which have recently been apparent continue, there is a good hope that there will be a margin next year, large enough not merely for the restoration of the cuts in pay, but for the relaxation

of other burdens. But neither India, nor any other country, is yet 'out of the wood' and a cautious outlook is still necessary.

I know that many Honourable Members feel that an immediate relaxation of these burdens might itself stimulate recovery, but our own view has been that we are not yet in a position to take risks in this direction and that any premature weakening of the financial structure might jeopardise the sound position that has been created and produce a collapse which would react on all who are engaged in economic activities in the country. In the meanwhile, as I have made clear, we are searching for all possible opportunities for taking advantage of our strong credit position to encourage recovery in other ways. Finally, taking a wider view, I should like to repeat what I have so often said—that India's financial position in its strength challenges comparison with that of any country in the world, and that in these times of increasing economic nationalism there is no country that has brighter prospects or greater potentialities for economic advance than India with her own vast market, and with her place in the British Commonwealth of Nations.

Appendices to Budget Speech, 1934-35.

Appendix I.

Short Survey of Agricultural Position at the beginning of 1934.

The monsoon of 1933 started about ten days earlier than usual and was unusually continuous and prolonged in most parts of the country. The monsoon proper withdrew on the 27th September but showers were general in Northern India until nearly the end of October. The total rainfall was substantially above the average in a large part of the country and normal or nearly normal elsewhere except for a small area

(East Central India) where it was in defect. As might be expected, damage to summer crops by excessive rain was more common than shortage of rain. The cotton crop was seriously damaged by late rain in the Central Provinces and Berar and also in the United Provinces and Juar (the great millet) was damaged by excessive rain in several provinces. The rice crop was generally good. Local damage was caused by floods in several provinces. The sowing of winter crops was somewhat delayed by the continuance of the rains but sowing conditions were favourable. An increase of 8 per cent. in the area under winter oilseeds and of 7 per cent. in the area sown with wheat has been reported. Crop prospects now depend to a considerable extent on the weather during February and March. Reports indicate that so far the winter rainfall has not been sufficient. In Gujerat, tobacco and cotton have been damaged by abnormal cold weather, whilst frost damage to gram has occurred in parts of Central India and the Central Provinces and to winter crops generally in some parts of the Punjab.

Jute.—The area sown with jute in 1933 was reported to be 2,491,000 acres, an increase of 16 per cent. on 1932. Production was estimated at 7,933,000 bales as compared to 7,097,000 bales in 1932 an increase of 12 per cent. on the *revised* estimate for the previous year. Exports of jute for the period July 1933 to 20th January 1934 were 765,000 bales better than the previous year indicating that the slightly larger crop is finding a market. Prices at the end of January were a trifle better than this time last year but much below those of June 1933.

Cotton.—The 1932-33 crop turned out considerably better than expectations, the quantity baled and received loose in

mills having totalled 4,730,000 bales. Adding the conventional figure of 750,000 bales, for non-industrial consumption, this indicated a total crop of 5,480,000 bales as compared to a forecast of 4,516,000 bales. It is now clear that the standard yield on which the provincial forecasts are based requires to be raised in several provinces—a not unnatural sequel to the systematic introduction of improved varieties which has been going on for a number of years. The final estimate of the area under cotton in 1933-34 is not yet available—sowing in South India being incomplete at the time of the third forecast in December—but the area reported is 2 million acres (9 per cent.), above the corresponding estimate for 1932-33 and the production was estimated to be about 400,000 bales greater. The estimated increase is fully borne out by the returns of cotton baled to date which further indicate a good crop both in the Punjab and in Sind. The cotton export year runs from 1st September to 31st August and exports from the 1932-33 crop amounting to 2,790,000 bales were satisfactory, having regard to the size of the crop. Bombay stocks of unsold cotton on August 31st, 1933, were normal at 441,930 bales and stocks elsewhere were at a similar level. The Japanese boycott on Indian cotton extended roughly from July 1933 to December 1933 being lifted at the beginning of January 1934. As active shipping of the new crop usually commences at the beginning of December, exports to date during the current cotton year are below normal but the disparity is disappearing, total exports for the season having reached 585,665 bales up to the end of January as compared to 774,547 in 1932-33. The Indo-Japanese trade agreement virtually ensures the export of 1½ million bales of cotton annually to Japan during its currency.

Oilseeds.—The final forecast of the *groundnut* crop will not be issued until the last week in February but the second forecast showed an increase of 9 per cent. (670,000 acres) in the area as compared to that reported at the same time last year which was the highest on record. This crop is now the most important item of the oilseeds export trade. Exports during 1933 totalled 586,000 tons an improvement of 115,000 tons on 1932 but were less than 1931 when exports totalled 710,000 tons—the improvement is encouraging as competition with other competing oilseeds like soyabean is very keen. The area under *sesamum*, the next most important of the summer oilseed crops, in 1933-34 was 6 million acres—a nominal increase on 1932-33—the improvement of that year (7 per cent.) thus being maintained. The estimated yield at 509,000 tons is 4 per cent. below that of 1932-33. This crop is mainly crushed in India but exports in 1933 amounted to 17,000 tons, an increase of 3,000 tons on 1932 and 13,000 on 1931.

Linseed.—The total area under this crop will not be known until about the middle of March but the January forecast shows a small increase of one per cent. on last year's corresponding estimate. The recovery from the low level of 1929-30 is thus being maintained, indeed there have been increases in all important areas except the United Provinces where weather conditions may have been largely responsible for the fall in area. No quantitative estimate of production is available ; it is known that the crop started well but there has recently been local frost damage. Exports of linseed during 1933 were most satisfactory, the total being 332,000 tons during the period April—December as compared to 57,000 in 1932 and 100,000 tons in 1931 and 244,000 tons in 1930.

Mustard and rapeseed.—The first forecast for the area under these oilseeds shows an increase of 8 per cent. 238,000 acres on the corresponding estimate of last year; the final area will not be known until March. Exports of rapeseed 74,000 tons during 1933 were below those of 1932 (131,000 tons) but better than 1931 (40,000 tons)—exports to the United Kingdom were again better than in the preceding year.

The area under sugarcane in India in 1933-34, (*i.e.*, for the crop now being crushed) is reported to be 3,305,000 acres, a decrease of ½ per cent. on last year but the yield is estimated to be 5,067,000 tons *expressed in terms of gur* (jaggery) an increase of 8 per cent. on last year. Full details have not yet been received but from the detailed United Provinces report which covers 1,702,000 acres, it is clear that the increase in production is due to the further spread of improved varieties which in the United Provinces now cover 1,275,000 acres, or 75 per cent. of the total area in that province, with a yield per acre 60 per cent. higher than the old varieties replaced. It is estimated that in the season 1933-34 some 586,000 tons of sugar will be produced in modern factories in India as compared to 381,000 tons in 1932-33."

APPENDIX II.

EXPORTS TO THE U. K. of certain articles of trade liable to preferential treatment in that country.

	Quantity.					Value.				
	Average of 3 years 1927 to 1929.	1930.	1931.	1932.	1933.	Average of 3 years 1927 to 1929.	1930.	1931.	1932.	1933.
						Rs. (lakhs.)	Rs. (lakhs.)	Rs. (lakhs.)	Rs. (lakhs.)	Rs. (lakhs.)
Coffee .. .. .. Cwt. (000)	58.1	98.8	48.8	53.0	48.1	52.6	75.6	29.6	33.8	31.0
Rice not in husk .. Ton (000)	42.0	59.0	42.6	138.7	274.9	60.2	68.9	31.2	104.5	154.6
Hides .. .. .. ,,	2.9	2.6	2.8	3.4	5.7	48.3	44	38	53	90.3
Leather .. .. ,,	19.6	17.9	14.4	14.6	16.7	753	620	493	471	467.6
Lead, pig .. .. Cwt. (000)	719	1094	932	909	10,44.0	120	166	123	117	119.7
Oilcakes* .. .. Ton (000)	99.4	110.5	112.9	93.7	140.0	108	100	78	65	81.9
Paraffin wax .. ,,	15.8	11.0	15.3	11.6	11.7	75	55	69	53	50.5
Groundnuts .. ,,	40.9	40.7	78.8	40.6	24.8	101	74	106	75	35.3
Linseed .. .. ,,	54.1	58.9	14.1	10.9	107.6	114	127	17	13	124.3
Tea† .. .. Lb. (mill.)	310.5	300.4	290.5	320.0	279.1	24,49	19,02	17,34	14,61	16,08.1‡
Jute bags .. .. No. (mill.)	47.4	44.2	42.5	49.6	42.7	204	142	101	119	93.8
Jute cloth .. .. Yd. (mill.)	38.8	46.1	58.3	54.6	50.6	80	76	66	62	55.0

* Excluding castor, coconut and rape and sesamum cakes for which U. K. share is not given in the monthly S. S. T. A.
† Excluding green tea.
‡ Rise in price due to restriction scheme.

APPENDIX III.

EXPORTS FROM INDIA.

	Average of 10 years ending 1930.	1932.	1933.	Percentage of 10 years' average. 1932.	Percentage of 10 years' average. 1933.
	In lakhs of rupees.				
(1) Value of total exports to all countries ..	312,59	134,76	144,08	43%	46%
(2) Value of total exports to all countries *excluding* United Kingdom	242,13	97,22	100,51	41%	14%
(3) Value of total exports to United Kingdom.	70,46	37,54	43,57	53%	62%

RAILWAY BUDGET.

Extract from the proceedings of a meeting of the Legislative Assembly held on Monday, 19th February 1934.

Speech of the Railway Member introducing the Railway Budget for 1934-35.

When presenting my first Railway Budget to the House last year, I ventured with some diffidence to suggest that, though the encircling economic gloom showed no tangible sign of lightening, yet indications were not wanting that we had plumbed the depths of the depression which had overtaken us in common with the rest of the world. Even that guarded opinion was in some quarters regarded as unwarranted by anything more substantial than a facile optimism, and doubts were freely cast on the wisdom of budgeting for so substantial an increase in our earnings for the current year. Though our estimate of receipts for the year may not eventually be reached, it is a matter for some gratification to find that our anticipations of improvement

have been substantially justified and that our earnings up-to-date show a material advance over those for the corresponding period of the previous year.

2. Following custom, I will first refer to changes in form before dealing with matters of substance. Very important changes have been made in the forms of demands placed in the hands of Hon'ble Members, but the limits of a budget speech preclude any detailed description, or explanation, of these changes despite their undoubted interest and importance. One of the major changes concerns the form in which the demands for grants have been recast. These demands are now in the form in which the accounts of railways are kept, and the change has been made in order to facilitate control of expenditure. This change has not only the general approval of the Auditor-General, but has been considered in detail by two committees of this House, *viz.*, the Public Accounts Committee and the Standing Finance Committee for Railways which were unanimous in recommending its adoption.

3. Another important change in the form of our estimates has been caused by the decision to include in them the receipts and expenditure of lines belonging to private companies or Indian States, but worked by our State Railway Systems for a percentage of the gross earnings. This change in procedure follows a recommendation made by Sir Arthur Dickinson and approved by the Standing Finance Committee for Railways. The practice hitherto followed was to deduct both the receipts and expenditure of these lines from the total receipts and expenditure of the system by which they were administered. This procedure, as pointed out by Sir Arthur Dickinson, is fundamentally wrong in principle as the officials of a railway system are engaged in operating all the

lines comprising that system, including these worked portions, and the statistics and accounts should properly be based on the total receipts and expenditure of the entire system. As a result of the change, the receipts of the worked lines will, from 1934-35 onwards, be added to the receipts of the State owned lines, and out of the total the Legislature will be asked to vote the gross expenditure for working the railway system as a whole including the worked lines. The Legislature will also be asked to vote the sums which will be handed over to the owners of these lines as the share of the earnings which, under contract, the working agency is required to hand over to them after retaining the percentage fixed in the contract.

To Hon'ble Members who would like to know in greater detail the reasons for the changes adopted, I would commend a perusal of the Financial Commissioner's Review of the appropriation accounts of Railways for 1931-32 which discusses the question very fully.

It is perhaps difficult to realise, when perusing the papers that will shortly be in the hands of Hon'ble Members, how great has been the labour involved in preparing the budget in the new form, and I should like to add a word of acknowledgment of the untiring and devoted labours of the Superintendent and staff of the Budget Branch of the Railway Board who have literally worked night and day to ensure that these statements would be ready in time and in as accurate a form as possible.

I also take this opportunity of paying a tribute to the members of the Standing Finance Committee for Railways who have, as always, been assiduous in their duty of scrutinising in detail the estimates of railway expenditure but have had a harder task than usual owing to the radical alterations

in the demands made this year. From the reports of the Committee's proceedings which have been prepared in greater detail in accordance with the general wish expressed in this House last year and the large number of memorandam on the estimates which the Members have had to examine in detail, the House will realise the nature and extent of the work which this Committee has had to attend to.

4. It is now superfluous, I am sure, to remind Hon'ble Members of the advantages of the practice that they have generally followed in recent years of indicating, when giving notices of reductions in demands, the questions which they intend to raise. It enables Government members to supply the House with fuller information on the points raised than would otherwise be possible.

Financial results of 1932-33.

5. Before I go on to deal with the estimates for 1933-34 and 1934-35 which it is my main business to-day to explain to the House, I ought, in order to present a more complete picture, to refer briefly to the results of the year 1932-33, full details of which are available in the Railway Board's report which has recently been published. When I presented the railway budget last year, I anticipated a deficit during 1932-33 of 9⅓ crores. The actual loss due entirely to a fall in traffic receipts was unfortunately larger. The total loss of 10¼ crores was met by a temporary loan from the depreciation fund which, after this transaction, was left with an actual balance of just over 12 crores. The total loans made from the fund to cover deficits amounted at the end of the year to 14½ crores.

Revised estimates for 1933-34.

6. We budgeted for an income during the current year from all sources of 89¼ crores and for a total expenditure

including depreciation, of just over 64 crores, which would have brought our net revenue to nearly 25¼ crores. We now anticipate that our receipts will bring us in 88¾ crores instead of 89¼ crores, while our expenditure will remain at about the anticipated figure, thus bringing our net traffic receipts to 24¾ crores. As our interest charges will amount to 32½ crores, the deficiency for the year will aggregate 7¾ crores including the loss of 2 crores on strategic lines, and this will be met again by a temporary loan from the Depreciation Fund which will now show a balance at the end of the year of 11¾ crores, as against 12 crores at the beginning of the year. These are the bare figures, and a brief comment on them may be of some assistance in realising their significance. It is a matter for gratification that our anticipations of an increase in our traffic receipts have in a large measure been fulfilled. The traffic in 1933-34 has been well above the previous year, though we may not be able to reach our original estimates. But though our revised estimate of receipts is half a crore below our original anticipations, it is over 2 crores or 2½ per cent. higher than the figure of last year. It is noteworthy that our goods earnings during the current year are now expected to be nearly 3½ crores, or about 6 per cent. above our earnings in 1932-33. The fact that the increase in traffic has been general and has not been confined to any particular commodity is, I venture to think, of considerable significance as affording some sign of the beginning of a general revival of trade. But for a serious fall in our passenger earnings, we should have had a still better tale to tell of the results of the year. Our passenger earnings are now expected to be about a crore, or nearly 4 per cent., below what he earned in 1932-33. Railways are taking various steps to deal with this situation. On most railways efforts are being made to recover traffic by quoting specially reduced return fares

between particular stations and by introducing extra services. We are also trying an important experiment on the North Western Railway on the possibilities of large scale reductions in 3rd class passenger fares. Revised third class fares were introduced over that system with effect from 1st December 1933. These revisions include a reduction in the previous basis of charge of half a pie per mile for distances up to 50 miles and of a quarter pie per mile for distances from 51 to 300 miles and an increase of half a pie per mile for distances over 300 miles. The general effect of the revised basis of charge is a reduction of fares up to distances of 460 miles and a small increase of fares for distances over that figure. The magnitude of this experiment can be realised from the fact that, if no increase of traffic results, it is expected to lead to a loss in earnings of about 45 lakhs. It is, however, an experiment worth making, for it may well be productive of results of real value in determining our future policy in this matter. It is too early to pronounce on the results, but there are indications that traffic is responding, though as yet insufficiently, to the stimulus of our revised rates. We have found that during the first 8 weeks of the period in which these have been in force, the number of passengers increased by 6 per cent. though the earnings fell by 6 per cent. There are, however, indications of further improvement, and the future course of traffic under this experiment will be followed with interest.

Turning to our working expenses, these are not expected to differ very much from our budget estimate. But for the fact that we have had during this year disasters of unparalleled magnitude to meet, they would in all probability have been slightly lower than our original estimate. During the year, however, two railways in particular have suffered heavily from the effects of the earthquake. Particulars of the

extent of the damage and of the cost of repairing or reconstructing buildings, bridges and track that have been affected are still scanty. From such information as we have received at present, however, it appears likely that the damage will amount to over three quarters of a crore and may well reach a crore. Fortune has dealt hardly with us in another matter. Once again have the unchained forces of nature proved the limitations of human skill, science and experience. In September last the sudden action of the river Ganges in flood caused a considerable breach in one of the protective works of the Hardinge Bridge on the Eastern Bengal Railway, popularly known as the Sara Bridge. We can only be thankful that the damage was no worse and did not go far enough to cause any immediate danger to the safety of the bridge. But we have had a sufficiently serious warning to compel us to incur the expenditure of very large sums of money in strengthening and extending the protection and training works connected with the bridge. Here again the total cost is estimated to be well over a crore and might possibly reach a crore and a half. At the same time, we have had to sanction extra expenditure in order to be ready with other alternative means of communication in case the worst happens and if, during the course of the next monsoon, the safety of the bridge is seriously threatened.

Of the total expenditure involved in repairs and reconstruction necessary in these two cases, a considerable amount is an addition to our assets and correctly chargeable to capital, but an amount of between a crore and a crore and a half of rupees would in the ordinary course have been charged to revenue during this year and the next and possibly the year after. After careful consideration and with the concurrence of the Standing Finance Committee for Railways, we have come to the conclusion that, in all the circumstances,

it is reasonable and proper not to debit expenditure of this nature to current revenues during such a short period as 2 or 3 years but to distribute it in instalments over a longer period. We, therefore, propose to debit the whole expenditure initially to the Depreciation Fund and repay it out of revenue in annual instalments of 15 lakhs a year till complete repayment is made, which, we hope, will not take more than ten years.

Against the deterioration in our traffic receipts we have to set off a welcome fall in our interest charges owing to a reduction in the rate of interest due to the lower rates at which Government have been able to borrow during the year. These factors have balanced each other and our present anticipation is that the final results will, as stated, show an aggregate deficiency of 7¾ crores, including the usual loss of about 2 crores on strategic lines. This is in accordance with our anticipations at the beginning of the year, and the loss will be met by a temporary loan from the depreciation fund.

Budget estimate for 1934-35.

7. Stated briefly and, in order to facilitate comparison, neglecting for the moment the effect of the inclusion of the receipts and expenditure of worked lines in our estimates for 1934-35, we estimate our total receipts from State lines next year at 91¼ crores and our total expenditure including depreciation at 64½ crores. With our interest charges estimated at 32 crores, the total deficiency should be approximately 5¼ crores. A loan of this amount from the Depreciation Fund would leave that fund in credit to the extent of 11½ crores at the end of the year, as compared with 11¾ crores at the beginning of the year. We think we shall not be unduly optimistic in estimating, for next year, an increase in traffic receipts to the extent of 2½ crores, an

improvement of 3 per cent. on our figures for this year. The steady upward trend in our goods earnings this year justifies us, we believe, in the hope that at last we are fairly on the road to recovery, though it would be rash to anticipate any rapid progress as yet along that road.

We expect our working expenses to be a little higher than during the current year. Our ordinary working expenses have been steadily reduced from year to year since our traffic began to drop, but the major retrenchments have all been effected, and to the extent that reductions represented merely a postponement of expenditure, the time is soon coming, if it has not already come, when it would be unwise and indeed unsafe to postpone it any longer. The most hopeful prospects of reducing expenditure still further seem to us at present to lie in the results of the detailed job analyses now being conducted by the special temporary organisation we have set up on various railways on the advice of Mr. Pope. The possible savings may be small individually, but we have no doubt that in the aggregate they will amount to something substantial. Apart from this, we expect a fall in gratuities payable to railway staff which have been abnormally high during the last few years on account of our retrenchment of staff. If traffic continues to improve, as we hope it will, no further block retrenchments should be necessary.

The total increase in our working expenses we place in the neighbourhood of a quarter of a crore, and this is mainly the result of the normal increments earned by staff on time-scales of pay. It will be offset by a further diminution in interest charges on account of the average rate of interest being expected to be still lower. In the result, we expect our

total deficiency to be reduced to 5¼ crores, or very nearly 2½ crores below the figure for the current year.

8. In presenting the budget estimates for the current year, I ventured to lay some emphasis on what I held to be the undeniable strength and soundness of the financial position of Indian railways notwithstanding the deficits that have been experienced since 1931-32. The results of 1933-34, so far as we know them at present, have, if anything, confirmed me in that view. Taking the period of eleven years beginning from 1924-25 and ending 1934-35, we find that the first six years were a period of prosperity and the following five years have been otherwise. The crescendo of deficits began in 1930-31 with 5 crores, grew to 9¼ crores in 1931-32 and reached its height in 1932-33 with a figure of 10½ crores. We hope that that constitutes the peak, for we expect our deficit to be 7¾ crores in 1933-34 and about 5¼ crores in 1934-35. A naked statement of these deficits is, however, calculated to give an entirely inaccurate impression of the real financial position. I will endeavour to convey what I think is a more correct picture by stating the financial position of the past three years from a somewhat different angle. Taking our commercial lines alone for the present, it will be seen that even in 1932-33, which may be regarded as the worst year during this period, our net revenue from all sources amounted to 23¼ crores and during that year we put by to the depreciation reserve a sum of 7¼ crores more than we actually required to withdraw for our current expenditure on renewals and replacements. Even in the worst year of this dark period it will thus be seen that our earnings only fell short by one crore, of the amount, *viz.*, 31½ crores, required to pay the full interest on the Capital at charge. In the following two years, *viz.*, 1933-34 and 1934-35, our estimate of net revenue from all sources is 25¼ and 27¼

crores respectively. If payments to the depreciation reserve were confined to what was needed to meet our urgent and necessary requirements, our net revenue in each of these two years would be over 32 crores and would exceed the sum necessary for our interest charges on commercial lines by a crore and a half.

Including strategic lines, against our deficits amounting to 13 crores in the two years referred to, must be set the additional appropriations amounting to 12½ crores that we are making to the depreciation account after meeting not only all the normal expenditure on renewals and replacements debitable to the fund during these years, but very heavy abnormal expenditure of 1¼ crores to repair earthquake damages and the damages to the Hardinge Bridge caused by the vagaries of the Ganges. These figures, I hope, afford ample justification for the opinion I have expressed as to the intrinsic strength of the financial position of the Indian Railways.

9. Some comment is necessary on our programme of works expenditure for 1934-35 which, though less ambitious than the programmes which Railways were accustomed to in the pre-depression days, is still considerably more extensive than those of the last two years. We propose a total expenditure of just over 14 crores, of which we expect to find three quarters of a crore by a further reduction in stores balances. Except one small new line of five miles, costing 3 lakhs on the South Indian Railway, to which we are committed as part of the arrangements made when the Tanjore District Board Railway was transferred to Government some years ago, the small expenditure of 11 lakhs provided is merely to complete lines started long ago. There are a few projects, like the Bombay-Sind Connection and the Pollachi-Vananturai line

in South India, the prospects of which are under examination, but our examination has not yet reached a stage at which we can arrive at a definite conclusion in regard to their remunerativeness. We have not, therefore, felt justified in asking the Assembly to provide funds for them. We hope to complete our examination in the course of the next few months. If we find that these projects are likely to be remunerative under present conditions of cheap money and low prices of material and desire to start construction during the next working season, we shall take steps to place our proposals before the Standing Finance Committee for Railways and ask the Assembly for the requisite additional grant. As regards open line works, our programme includes 4¾ crores for track renewals, and 3¼ crores for rolling stock in addition to 1½ crores for works in progress. The amount provided for new works is under 4½ crores. Of this, a sum of about 1¾ crores is required for repairs and additions to the protection works of the Hardinge Bridge to which I have already referred and for repairing earthquake damages. As I have mentioned, it is our intention not to charge directly to current revenues any expenditure on these items, but to debit initially to the depreciation fund whatever is not chargeable to capital, and repay this amount from revenue by annual instalments of 15 lakhs. Another item of importance is the remodelling of part of the Jamalpur Workshops on the East Indian Railway where, as a measure of economy and efficiency, it was intended to concentrate heavy repairs to engines. This was originally initiated as a remunerative project, but it has since been rendered imperative by the demolition of some of the existing shops by the recent earthquake.

That completes the financial picture which I have to present to the House. If it is not as bright as we might have wished, it might easily have been much darker.

10. I will now pass, before I close, to one or two matters of general interest on which Hon'ble Members will, I am sure, expect some observations from me.

There is, I believe, much misapprehension as to the attitude of the railways towards those competitive forms of transport which have of recent years been making inroads into their traffic. Speaking for Indian Railways generally, I would like to combat any impression that they desire to maintain, at any cost and by any means, a monopolistic position from which to exploit the public. True, they cannot be expected to welcome unequal competition with open arms, but they recognise its inevitability and appreciate the fact that they must meet it largely by better and more attractive service. But what in the interest of the country they are chiefly concerned with, is the elimination of wasteful competition and the utilisation of the available resources of the State to the best possible advantage of the public. It is obviously, for instance, in the public interests that such limited funds as there are should be spent on opening up unopened tracts rather than on duplicating existing lines of communication. With the object of exchanging ideas, the Government of India convened at Simla in April last a Conference which the representatives of Local Governments, of Railways, and of certain unofficial organisations, were invited to attend. This Conference discussed, and agreed to, some eight Resolutions, framed with the intention of securing the greater co-ordination of transport, the better control of public motor services and the more scientific and economic development and planning of roads. These Resolutions were not of course binding on the parties to the Conference, but as a result of some useful discussions, I feel sure that the representatives of Local Governments who attended came

to appreciate how closely the prosperity of the country is bound up with that of its railway system. The Government of India are now in correspondence with the Local Governments on these resolutions and have every reason to hope that a beginning has been made in attracting the serious attention of the various authorities concerned to a problem which has been found so difficult of solution in other parts of the world and in securing recognition of the view that it can only be successfully attacked through co-operation between the various administrative units that under the existing system of Government have control over the different parts of this complex problem.

11. I have no doubt that, during the course of the next week, opportunities will be available and will be freely utilised by Honourable Members to give expression to their views on what must be regarded as a matter of first importance to the future administration of Railways in India, the proposed Statutory Railway Authority. To-day it is only necessary for me to express our warm appreciation of the spirit in which the members of the Committee which considered this question in London approached their task and of the contribution made towards the solution of this difficult problem by their report.

It will be observed that we have not yet embarked on the investigation which I foreshadowed last year in connection with our Depreciation Fund procedure. This is not due to any change in the perspective in which we view this question, or in our opinion of its importance. But, after a very full preliminary examination, we came to the conclusion that it might well be left for investigation concurrently with other important financial questions which must be settled in connection with the future changes in the administration of Indian Railways.

12. Deficit budgets are not a source of anxiety merely to Finance Members and to Governments. The Administrative Staffs of Commercial, or quasi-Commercial Departments feel more keenly than outsiders realise, the paralysing influence of continued deficits. Retrenchment, economy and the curtailment of opportunities for development combine to produce an effect calculated to dishearten the most enthusiastic and to discourage the most stouthearted. I would like to pay my tribute to all railwaymen for the steadfastness with which they have faced the depression of the past few years. Happily we may, with some justification, hope that the clouds are at last beginning to exhibit signs of lifting. Such improvement as our revenues have shown in the current year has been persistent and well maintained. The steady enlargement of our goods traffic is an indication that trade and confidence are beginning to revive. If we have still far to go before we can reach normality, we can at least face the coming year with renewed hope and lighter hearts.

Rules and Regulations for the Measurement for Tonnage of cotton and other goods in bales or packages under the orders of the Bombay Chamber of Commerce.

Adopted at a Special General Meeting of the Chamber, held on the 24th September 1924.

I. Whereas it is expedient to collate and amend the Rules and Regulations for the measurement of goods.

II. All such Rules and Regulations hitherto in force are hereby rescinded and the following are substituted therefor with effect from the 1st April 1901.

III. In the following Rules and Regulations and in any Orders that may from time to time be issued by the General Committee of the Chamber of Commerce under Rule XVII.—

(*a*) Measurer shall mean a measurer appointed by the Committee of the Chamber of Commerce for the purposes of these rules.

(*b*) Measurement shall mean measurement by such measurer.

(*c*) Shipper shall mean the person shipping the goods of his representative.

(*d*) Quay shall mean a place in the Docks or at one of the Bunders recognized for the regular shipment of goods.

(*e*) Vessel shall mean a vessel propelled by sail or steam and not being used for the conveyance of goods from the Quay to another vessel in the Port of Bombay.

(*f*) Boat shall mean a vessel, lighter or craft used for the conveyance of goods from the Quay to a vessel in the Port of Bombay.

(*g*) Package shall mean a bale, case, barrel, cask, bag or other receptacle subject to measurement.

(*h*) Consignment shall mean the whole quantity of one commodity subject to measurement to be shipped by one shipper in one vessel.

(*i*) Lot shall mean a package or number of packages forming part of a consignment and presented by one shipper at one time for measurement.

IV. Public Measurers shall be appointed under the authority of the Chamber of Commerce and stationed at the different quays to measure packages.

V. Fees, the amount of which shall from time to time be fixed under the Orders of the General Committee of the Chamber of Commerce, shall be levied in accordance with such Orders on all goods presented for measurement.

VI. No measurement shall be held good except such as are taken by a Measurer and with instruments bearing the stamp of the Chamber of Commerce.

VII. Such instruments shall be supplied and issued to the Measure by the Chamber of Commerce.

VIII. All instruments shall be submitted to the Secretary of the Chamber of Commerce at intervals to be prescribed by the Committee and a register of such inspections shall by kept.

IX. Measurers shall be responsible for the good order of their instruments and for the prompt return to the Secretary of the Chamber of such as are defective or doubtful.

X. The Chamber's stamp borne by instruments that are found by the Secretary to be defective shall be by him defaced.

XI. Instruments on which the Chamber's stamp has been defaced may be re-stamped under the directions of the Secretary when they are in good order.

XII. Certificates of measurements shall be issued to shippers and/or to Ship Agents in such form and in such manner as the Committee for the time being shall from time to time provide.

XIII. Provided always that the Measurer may withhold or recall such certificate on his having reasonable cause to believe that an irregularity in the matter of shipment has been or is being committed in respect of the goods to which such certificate relates.

XIV. The goods measured shall be alongside the vessel within thirty-six hours after measurement, weather permitting, or the certificate shall be void and the packages shall be remeasured on board, written notice being given by the owner, agent or master of the ship to the Shipper and to the Measurer respectively.

XV. Shippers shall as far as possible see that their goods are so arranged for measurement as not to retard the work of the Measurers.

XVI. The salaries of the Measurers and all other expense connected with this system of measurement shall be paid by the Chamber of Commerce from the Fee Fund raised under these Rules.

XVII. The Committee of the Chamber of Commerce are hereby authorized to appoint and maintain such staff of Measurers and Assistants, to fix and to pay such salaries to that staff, to fix and to collect such fees, to issue from time to time to modify such orders, and to do all other such acts and things as may in their opinion be necessary for the proper and economical working of the system in conformity with the general principles herein laid down.

Orders for the Conduct of Measurement of Goods for Tonnage by public Measurers in the Port of Bombay.

(Issued by the Committee of the Bombay Chamber of Commerce in pursuance of Section XVII of the Rules and Regulations adopted at a Special General Meeting of the Chamber held on the 24th September 1924.)

(1) All Orders hitherto in force for the governance of Measurers are hereby rescinded and the following are instituted with effect from the 1st April 1901.

(2) The Measurers shall be in attendance on the Quays to which they are appointed whenever there are goods to be

measured. During the busy season Measurers are expected to be on duty early and late.

(3) All Measurement Fees shall be paid to the Measurement Fee Clerk, and no goods shall be measured without the production of the Customs House Pass bearing the endorsement of the said clerk to the effect that the fees have been paid.

(4) The certificates of measurement issued in conformity with Rule XII shall show—

(*a*) the date, hour and place of measurement;

(*b*) the name of the shipper;

(*c*) the name of the vessel;

(*d*) the port of destination;

(*e*) the number and description of packages;

(*f*) the marks;

(*g*) the measurement;

and in the case of goods shipped by boats—

(*h*) the registered number of the boat;

(*i*) the name of the tindal.

The certificates of measurement shall be issued by the Measurers and shall in every case be signed by the Measurer who measured the goods. One copy only of each certificate shall be issue, and such single copy shall be handed to the shipper.

(5) The whole of the packages forming a consignment of not more than thirty-two packages must be deposited on the Quay before measurement is taken.

(6) Consignments of more than thirty-two packages may be presented for measurement in loss of not less than thirty-two packages provided always that each lot, as soon as it is

measured, is loaded into boats or shipped and that no unmeasured lot is mixed with a measured lot. Provided also that a final lot of less than thirty-two packages, being the complement of a consignment of more than thirty-two packages, may be measured separately.

(7) Shippers failing to have each lot as soon as measured loaded into boats or shipped; or shippers mixing unmeasured goods with measured goods or permitting them to be mixed; or shippers retarding the work of the Department by failing to move with reasonable promptitude the bales required by the Measurer to be moved for the proper performance of his duties; or shippers attempting to elude these regulations, any such person or their representatives may be required by the Measurer to deposit on the Quay the whole complement of their consignment before measurement is taken. In all cases when such requisition is made, the Measurer making it shall briefly report in writing to the Secretary the name of the shipper against whom the goods in respect of which and the reason for which, it has been made.

(8) A Measurer withholding or recalling a certificate under Section XIII of the Rules and Regulations adopted on the 6th March 1901 shall likewise briefly report to the Secretary, in writing.

(9) No goods shall be measured otherwise than on a Quay excepting under the special conditions contemplated under Rule XIV and Order 22.

(10) Each and every package in a lot of packages not of uniform dimensions shall be measured individually. This Rule shall not apply to lots of pressed bales from various presses if the shipper arrange such diverse bales according to their respective dimensions separately on the Quay.

(11) In regard to packages of uniform dimensions the Measurer shall use his judgment as to the proportion of such goods he should measure ; but such proportion shall in no case be less than five per centum of each lot. Care must be taken by the Measurers that they are not induced to measure packages that do not fairly represent the average.

(12) In no case shall a shipper's man or men be allowed to put the callipers on a package. A peon of the Chamber holding the callipers may, when standing exactly in front, pull them tight with his hands but not when standing on one side, nor shall he ever be allowed to pull the callipers towards his chest or side or to put his shoulder to them.

(13) In measurement for length, care must be taken that the legs of the callipers touch the ground and that bales when being measured lie in the same position as when in the press. Measurement of bales for depth and breadth shall be taken on the ends half the number of bales being measured on the marked end and half on the other end.

(14) Measurers when measuring pressed bales shall ascertain whether all are from one press or not, and under orders (10) and (11) of these orders shall further ascertain how many bales there are from each press and shall give measurement accordingly and show on the certificate the number of bales to which each measurement relates.

(15) In cases where the shipper shall hand to the Measurer a letter from the owner, agent or master of the vessel authorising to Measurer to accept for measurement and calculation of average such packages as the said shipper may reserve for such measurement, the Measurer shall measure the packages so reserved and give a certificate on the basis of their measurement, provided that such package

represent not less than five per centum of the entire consignment.

(16) The scale of measurement fees leviable under Rules V and XVII shall be as follows :—

(*a*) On Cotton, Wool, Hemp, Aloe Fibre Twist (white and coloured), Rags, and waste in pressed bales. .pies 6 per bale.

(*b*) On Round Timber or Logs, each. .annas 8.

(*c*) On Gunny bales from Calcutta, Hides and Skins, Piece-goods, and all goods not included under (*a*) & (*b*) packages of divers dimensions. annas 2 per package.

Subject to a rebate of anna one per package on the Measurers certifying that the lot measured consisted of not less than 50 packages all of uniform dimensions.

(*d*) On goods of any description measured on board a vessel ... ...annas 2 per package.

(*e*) When the work of the Department admits of such an arrangement, the exclusive services of a Measurer for a day may be secured on payment to the Secretary of a fee of Rs. 10.

(*f*) The attendance of a Measurer on a Sunday or one of the Charter-Party Holidays when the Docks are closed may be secured on application to the Secretary, accompanied by the sum of Rs. 15 which shall be paid

by him to the Measurer appointed by him to attend. The fee of Rs. 15 shall cover the services of one Measurer for one ship. If two Measurers are applied for two fees of Rs. 15 must be paid at time of application. If a Measurer is required to work on more than one steamer a separate fee of Rs. 15 must be paid in respect of each steamer.

(*g*) The attendance of a Measurer for night duty may be secured in the same manner as above.

(17) All disputes as to the applicability of Order 16 (*d*) under Rule XIV shall be referred to the Weather Working Days Committee of the Chamber and the decision of that Committee shall be final. With respect to Order 16 (*d*) a refund of pies 6 per package will be made on declaration of the said Committee, remitted on the invitation of the claimant that the state of the weather during the thirty-six hours of grace allowed had been such as to justify the shipper's delay in bringing the goods alongside.

(18) Refund of measurement fees in full shall be made in respect of a consignment or portion of a consignment shut out after measurement.

(19) In respect of Round Timber and Logs, the measurement to be certified, in accordance with Order 4 (*g*), shall be as follows :—

Length in feet and inches : As found with tape.

Breadth : The mean of two measurements taken with callipers at thickest and thinnest portions.

Depth : ditto ditto . . ditto.

The certificate shall also show under Order 4 (*a*) not only the time at which the work of mesurement was commenced, but the time at which it was completed. On application to the Secretary supported by evidence of time as here provided refund will be made of the difference between the fee as prescrided under Order (16) (*b*), and a charge of Rupees Two for every hour or part of an hour actually occupied in measurement.

(20) Refund of Measurement Fees shall not be made for any sum less than three Rupees.

(21) All claims for Refund of Measurement Fees shall be made to the Secretary of the Chamber of Commerce, who shall allow or disallow such claims in conformity with these Orders, but no claim for Refund of Measurement Fees shall be allow unless presented within one month from the date of the sailing of the vessel concerned.

(22) Each Measurer shall keep a Dispute Book and it shall be competent for any shipper or the owner, agents or master of a vessel who disputes the correctness of a measurement given in respect of goods being shipped by him to call for the said Dispute Book, which the Measurer shall produce at once, and to enter therein a claim to have the goods in question or any portion of them remeasured. And on the said shipper or the owner, agent or master of a vessel depositing with the Measurer the sum of annas 2 for each packet to be measured, the Measurer shall at once remeasure such package or packages in such a manner that the shipper or the owner, agent or master of a vessel can see whether the measurement is correctly taken and shall give to the shipper

or the owner, agent, or master of a vessel a certificate of the measurement so found and write thereon the word "Protested Certificate. Fee paid Rs....." and the sum so paid. The Measurer shall immediately thereafter forward to the Secretary a statement of the case together with the amount of the Fee received.

Provided that on any of the stations where more than one measurer is employed, the Measurer whose measurements are disputed shall, immediately after receiving the protest and fee, call another Measurer who shall make the remeasurement in the manner above laid down, shall issue the "Protested Certificate" and forward the necessary statement to the Secretary.

(23) Should a shipper demand remeasurement under Order 22 and should such remeasurement to the opinion of the Secretary show the originals measurement not to have been substantially correct, the extra fee of annas 2 per package shall be refunded to the shipper on demand and the case reported to the Committee.

(24) Every Measurer shall receive a book of Measurement Slips together with indelible pencil and carbon paper for making such slip in quadruplicate. The Measurer will hand to the shippers at the time of measurement the original and third carbon copy; the first carbon copy will be handed to the ship agent's representative on demand and the second carbon copy will be retained for the Chamber's records.

Provided that when goods are shipped in boats for delivery alongside the said first carbon copy, belonging to the ship's agent, shall be handed to the boatman from whom it should be obtained by the ship's officers.

COAL.

Imports of Coal into Bombay by Sea and Rail.

The following return of the imports of Coal into Bombay by Sea and Rail in the years 1927 to 1933 is printed for the information of members:—

From	1927.	1928.	1929.	1930.	1931.	1932.	1933.
By Sea.	Tons.	Tons.	Tons.	Tons.	Tons.	Tons.	Tons.
Europe	33,474	21,685	15,331	14,153	16,822	11,758	2,945
Australia	7,421	4,970	734	1,190	3,190	2,000	2,130
Japan	5,526	..	508	400	..	..	335
Africa	145,558	118,987	135,790	145,095	10,299	..	3,920
Other Foreign Countries	320	109	1,657	..	..	..	..
Calcutta .. .	355,744	268,780	383,746	240,707	437,309	461,834	419,238
Total—By Sea .	548,043	414,531	537,766	401,545	467,620	475,592	428,568
Total—By Rail ..	123,965	66,790	52,838	46,731	43,383	26,136	19,526
Grand Total ..	672,008	481,321	590,604	448,276	511,003	501,728	448,094

WHEAT.

The total area reported for the season 1932-33 was 32,992,000 acres as against 33,803,000 acres the previous year, or a decrease of 8,11,000 acres or 2 per cent. The total yield of the crop was estimated at 94,52,000 tons as compared with 90,24,000 tons the previous year or an increase of 428,000 tons or 5 per cent.

The following figures show the total Acreage and Outturn of Wheat in each official year from 1892-93 to 1932-33:—

Years.	Area (in thousand Acres.)	Outturn (in thousand Tons.
1892-93	27,759	7,649
1893-94	28,717	7,269
1894-95	28,422	6,999
1895-96	24,071	5,380
1896-97	20,580	5,363
1897-98	24,538	7,208

WHEAT STATISTICS—*contd.*

Years.	Area. (in thousand Acres.)	Outturn. (in thousand Tons.)
1898-99	25,370	6,838
1899-1900	18,688	5,357
1900-01	23,868	7,094
1901-02	23,446	6,091
1902-03	23,433	7,971
1903-04	28,413	9,641
1904-05	28,470	7,582
1905-06	26,296	8,579
1906-07	28,536	8,159
1907-08	22,806	6,104
1908-09	26,068	7,598
1909-10	28,018	9,591
1910-11	30,490	10,041
1911-12	31,141	9,925
1912-13	29,524	9,715
1913-14	28,475	8,358
1914-15	32,475	10,091
1915-16	30,320	8,652
1916-17	32,940	10,234
1917-18	35,487	9,922
1918-19	23,798	7,508
1919-20	29,949	10,122
1920-21	25,783	6,706
1921-22	28,207	9,830
1922-23	30,844	9,982
1923-24	31,181	9,660
1924-25	31,774	8,866
1925-26	30,471	8,696
1926-27	31,303	8,973
1927-28	32,193	7,791
1928-29	31,973	8,591
1929-30	31,654	10,469
1930-31	32,189	9,305
1931-32	33,803	9,024
1992-33*	32,992	9,452

* Subject to revision.

Estimate of the Wheat Crop of the Season 1932-33. Share of each Province and State of Area and yield for 1932-33 and 1931-32. (000's omitted.)

Provinces and States.	Area.			Yield.			Increase or Decrease in the Current Year over.				Yield per Acre.	
							Area.		Yield.			
	Current Year 1932-33	Previous Year 1931-32	Average of preceding 5 Years.	Current Year 1932-33.	Previous Year 1931-32.	Average of preceding 5 Years.	Previous Year 1931-32.	Average of preceding 5 Years.	Previous Year 1931-32.	Average of preceding 5 Years.	1932-33.	1931-32.
	Acres.	Acres.	Acres.	Tons.	Tons.	Tons.	Per cent.	Per cent.	Per cent.	Per cent.	lbs.	lbs.
British Provinces.												
Punjab	8,591	9,080	9,522	2,813	2,760	3,053	— 5·4	— 9·8	+ 1·9	— 7·9	733	680
United Provinces	7,667	7,748	7,217	2,713	2,610	2,666	— 1·0	+ 6·2	+ 3·9	+ 1·8	792	754
Central Provinces and Berar	3,451	3,513	3,388	655	673	622	— 1·8	+ 1·9	— 2·7	+ 5·3	425	429
Bombay	2,652	2,314	2,133	606	444	389	+14·6	+24·3	+36·5	+ 55·8	511	429
Bihar and Orissa	1,235	1,221	1,209	492	469	474	+ 1·1	+ 2·2	+ 4·9	+ 3·8	892	860
North-West Frontier Province	1,012	1,014	999	237	250	223	— 0·2	+ 1·3	— 5·2	+ 6·3	525	552
Bengal	143	145	126	41	34	31	— 1·4	+13·5	+20·6	+ 32·3	642	525
Delhi	42	41	45	11	9	13	+ 2·4	— 6·7	+22·2	— 15·4	587	492
Ajmer-Merwara	22	31	31	6	9	7	—29·0	—29·0	—33·3	— 14·3	611	650
Total British Provinces.	24,815	25,107	24,670	7,574	7,258	7,478	— 1·2	+ 0·6	+ 4·4	— 1·3	683	643
Indian States.												
Punjab States	1,336	1,312	1,316	442	392	423	+ 1·8	+ 1·5	+12·8	+ 4·5	741	669
United Provinces State (Rampur)	122	116	116	31	23	30	+ 5·2	+ 5·2	+34·8	+ 3·3	569	444
Central Provinces States	102	115	100	15	20	21	—11·3	+ 2·0	—25·0	— 28·6	358	389
Bombay States	509	522	468	176	148	141	— 2·5	+ 8·8	+18·9	+ 24·8	774	558
Central India States	2,068	2,189	1,912	840	339	305	— 5·5	+ 8·2	+ 0·3	+ 11·5	308	347
Gwalior State	1,394	1,492	1,208	319	297	221	— 6·6	+15·4	+ 7·4	+ 44·3	512	446
Rajputana States	1,268	1,508	1,129	355	364	267	—15·9	+12·3	— 2·5	+ 33·0	627	541
Hyderabad State	1,301	1,367	1,064	168	161	106	— 4·8	+22·3	+ 4·3	+ 58·5	289	264
Baroda State	74	72	76	31	21	17	+2·8	— 2·6	+47·6	+ 82·4	938	653
Mysore State	3	3	3	1	1	1	..	..	..	..	463	361
Total Indian States	8,177	8,696	7,392	1,878	1,766	1,532	— 6·0	+10·6	+ 6·3	+ 22·6	514	454
Grand Total	32,992	33,803	32,062	9,452	9,024	9,010	— 2·4	+ 2·9	+ 4·7	+ 4·9	642	598

(a) About 500 tons.

The fluctuations in the total Exports of Wheat from India to Foreign Countries during the last 52 years are shown below :—

(1881-82 to 1932-33).

Years.	Tons.	Rs.
1881-82	995,050	8,62,00,618
1882-83	709,688	6,08,88,136
1883-84	1,050,070	8,89,58,112
1884-85	792,494	6,31,60,182
1885-86	1,053,446	8,00,53,311
1886-87	1,113,181	8,62,59,856
1887-88	676,908	5,56,23,733
1888-89	880,570	7,52,32,794
1889-90	690,110	5,79,26,147
1890-91	716,024	6,04,24,260
1891-92	1,515,335	14,38,20,022
1892-93	748,672	7,44,03,835
1893-94	607,842	5,19,39,850
1894-95	344,506	2,56,62,468
1895-96	500,208	3,91,43,765
1896-97	95,531	83,64,498
1897-98	119,630	1,34,11,515
1898-99	976,024	9,71,96,877
1899-1900	485,204	3,90,94,963
1900-01	2,501	3,00,832
1901-02	366,090	3,25,59,204
1902-03	514,607	4,51,53,570
1903-04	1,295,565	11,08,89,546
1904-05	2,150,025	17,90,60,692
1905-06	939,523	8,53,43,996
1906-07	801,445	7,25,44,650
1907-08	880,459	8,58,50,350
1908-09	109,757	1,34,00,777
1909-10	1,050,574	12,70,90,884
1910-11	1,266,150	12,95,82,291
1911-12	1,361,166	13,34,84,580
1912-13	1,660,163	17,69,37,226
1913-14	1,202,205	13,13,33,561
1914-15	706,383	8,32,04,161
1915-16	652,879	8,44,06,594
1916-17	748,913	9,15,34,812
1917-18	1,454,374	19,00,27,665
1918-19	476,103	6,75,30,929
1919-20	8,642	20,36,604
1920-21	237,665	4,10,03,185
1921-22	80,809	1,46,82,887
1922-23	220,194	3,44,02,127
1923-24	638,252	9,11,80,928
1924-25	1,111,691	17,19,49,952
1925-26	211,637	3,60,24,737
1926-27	175,949	2,71,07,422
1927-28	299,733	4,40,57,408
1928-29	114,707	1,69,23,702
1929-30	12,971	21,24,473
1930-31	1,96,505	1,94,87,643
1931-32	20,215	15,12,460
1932-33	2,194	3,82,265

COTTON 1932-33.

The preliminary Government forecast issued in August 1932 and relating to 77 per cent. of the total area indicated an acreage of 13,485,000 acres, as compared with 13,938,000 acres (revised) at the corresponding period in 1931, or a decrease of 3 per cent.

The final estimate issued in a supplementary memorandum at the end of April 1933 for the whole of India was 22,558,000 acres as compared with 23,722,000 acres (revised) for the previous year, or a decrease of about 5 per cent.

Government estimated the final yield at 4,516,000 bales against 4,025,000 bales (revised) for the season 1931-32. Compared with private estimates the Government estimate was about 6 lakhs bales too low without taking into consideration the 7½ lakhs bales put down for domestic consumption.

Weather conditions during the growing stages of the crop though more favourable than during the previous season were of an adverse nature. Excessive rainfall in the Omra districts caused considerable damage to the crop in the seedling stage. Later in October an unduly protracted period of dry hot weather marred yield prospects to a great extent. The final Omra outturn was only 17 lakhs bales. The supply of exportable cotton was therefore subnormal for the second year in succession.

The following figures show the movement of Cotton through Bombay during the season 1932-33 :—

	Bales.
Stocks on 1st September 1932 including mill stocks as estimated by the East India Cotton Association, Ltd.	697,885
Arrivals during the year ending 31st August 1933 (actual bales)..	2,484,907
..	3,182,792

Exports during the year ending 31st August 1933 :—

By Sea—

	Bales.
United Kingdom	66,812
Continent	359,718
China	135,415
Japan	1,064,636
Other Foreign Countries & Coast Ports.	29,755
Total by sea ..	1,656,336
By Rail to Up-country	99,994
	1,756,330
Bombay Mill Consumption..	797,976
	2,554,306
Estimated carry over on 31st August 1933	628,486
Total ..	3,182,972

The East India Cotton Association, Ltd., estimated the stocks on 31st August 1933 at 712,502 Bales.

Export by Sea to Foreign Countries in 1932-33 as compared with 1931-32 were as follows :—

	1932-33. Bales.	1931-32. Bales.	Difference.
United Kingdom ..	66,812	25,053	+166·68 per cent.
Continent	359,718	127,988	+181·05 ,,
Japan	1,064,636	552,508	+92·69 ,,
China	135,415	209,936	— 35·49 ,,
America	——	25	—

The situation created by a cheaply produced bumper crop in America in 1931-32 and an exceptionally small crop in India, continued to adversely affect India's cotton trade, also during the early part of the season under review, Indian cotton at this time being too dear on parity with American. With the free movement of the 1932-33 crop and a gradual but steady accumulation of stocks both in the up-country markets and at ports, cotton prices in India began to give way. This led to a gradual widening of the Indo-American price parity and a broadening of demand from Japan and to a lesser extent also from the Continent. Japan in particular bought very freely. Continental demand was moderately good and greatly helped to keep trade going. China's takings were poor. With the declaration of the boycott of Indian cotton by Japanese spinners in June 1933, Japan's purchases of Indian cotton came to an abrupt end. During the months of July and August 1933 cotton trade in India consequently assumed very small proportions.

With American cotton selling around 6 cents per lb. from January till end of April 1933, prices ruling in India during the height of the crop movement had perforce to remain proportionately low so that the cultivator had once again to part with his produce at prices which could not have left him any margin of profit.

The following table gives details of arrivals into Bombay by Sea and Rail during the season with the total of the five previous years. (Actual weight converted into Bales of 3½ cwts. in each, after allowing 2 per cent. for tare in the case of receipts by rail.) Season ending 31st August in each case :—

Varieties.	1932-33.	1931-32.	1930-31.	1929-30.	1928-29.	1927-28.
	Bales.	Bales.	Bales.	Bales.	Bales.	Bales.
Khandesh	220,402	121,806	324,940	294,922	365,837	307,249
Central India	208,096	118,798	339,182	411,894	392,022	299,680
Barsi Nugger	134,595	80,711	169,346	262,001	263,289	319,242
Hyderabad Gaorani	55,949	22,434	85,728	93,161	85,586	118,517
Berar	471,173	250,475	593,289	731,747	792,419	730,789
Central Provinces	136,713	75,094	373,926	406,227	393,745	310,327
Dhollera	297,573	250,430	281,614	198,899	249,115	384,608
North-West Provinces	8,246	26,970	93,552	140,446	62,338	65,213
Rajputana	84,484	56,570	53,365	58,599	51,886	56,155
Sind Punjab	107,256	140,672	124,112	153,145	135,491	137,416
Broach	327,831	260,317	303,395	287,060	196,453	269,272
Compta Dharwars	96,406	86,693	98,274	160,648	137,799	145,150
Westerns Northerns	75,428	48,586	49,378	71,241	67,321	53,777
Cocanada	115	10	24	103	6	7
Tinnevelly and Cambodia	61,326	16,851	42,670	46,250	40,357	37,082
Persians	8,063	2,951	1,438	704	1,774	5,770
Americans	75,196	280,808	140,296	15,889	11,719	102,910
Egyptians	32,745	121,032	148,947	12,387	1,636	2,199
Africans, East	133,448	133,162	179,473	134,533	107,747	78,119
Comilla, Burmah and other Sorts	188	† 322	* 702	858	47	275
Total ..	2,535,233	2,094,692	3,403,951	3,480,214	3,356,587	3,423,757

* Including 178 Bales of Russian Cotton. † Including 111 Bales of Russian Cotton.

The following table gives the Actual Clearances of Cotton from Bombay to different Countries during the years ending 31st August from 1926-27 to 1932-33 :—

To.	1932-33.	1931-32.	1930-31.	1929-30.	1928-29.	1927-28.	1926-27.
	Bales.	Bales.	Bales.	Bales.	Bales.	Bales.	Bales.
United Kingdom	66,812	25,053	82,741	87,255	68,430	91,409	27,750
France	101,935	21,202	120,833	183,175	167,013	149,682	65,402
Belgium	91,075	32,957	91,598	205,175	260,037	210,096	91,504
Holland	10,200	5,641	16,268	27,958	19,477	12,811	6,110
Norway	....	....	55	....	....	....	....
Sweden	140	....	330	1,155	605	330	605
Denmark	....	27	220	382	75	165	27
Germany	37,280	20,092	101,380	167,324	128,507	103,849	72,046
Poland	1,925	....	....	....	....	....	....
Portugal	....	45	85	625	218	55	4
Spain	23,207	15,355	35,667	66,576	38,987	32,139	21,687
Italy	86,123	30,237	143,222	205,339	222,296	197,394	132,601
Fiume	896	782	1,928	444	56	168	220
United Kingdom, Belgium-Holland or Germany (for orders).	2,180	1,600	....	....	....	....	....
Greece	4,707	50	2,130	919	240	200	236
Bulgaria	50	....	....	....	5	....	....
Canada	....	....	....	....	25	....	....
United States of America ..	....	25	2,392	37,189	40,806	5,250	726
Chili	....	....	170	110	....	....	....
China	135,415	209,936	469,023	467,351	340,157	269,950	207,502
Japan	1,064,636	552,508	1,434,134	1,179,964	1,455,567	1,120,753	1,331,317
Other Foreign Countries ..	2,398	3,180	1,522	1,382	3,879	4,551	5,408
Indian Ports—Calcutta, etc. ..	27,357	35,135	25,809	24,202	16,575	24,238	21,484
Total ..	1,656,336	953,825	2,529,507	2,656,525	2,762,955	2,223,040	1,984,629

Comparative statement showing the Actual Clearances of Cotton from Bombay by Sea to different Ports during the years 1932 *and* 1933.

To	1933. Six months ending 30th June.	1933. Six months ending 31st Dec.	1933. Total for 12 months.	1932. Six months ending 30th June.	1932. Six months ending 31st Dec.	1932. Total for 12 months.	Increase or Decrease.	Percentage.
	Bales.	Bales.	Bales.	Bales.	Bales.	Bales.	Bales.	
London	1	....	1	....	....	....	+ 1	....
Liverpool	26,556	16,851	43,407	4,437	6,886	11,323	+ 32,084	283.35
Manchester	20,673	13,001	33,674	6,656	7,813	14,469	+ 19,205	132·73
Liverpool or Manchester	....	1,040	1,040	....	....	....	+ 1,040	....
Marseilles	1,844	1,331	3,175	545	872	1,417	+ 1,758	124·06
Havre	6,611	4,929	11,540	358	2,454	2,812	+ 8,728	310·38
Havre or Dunkirk..	....	....	....	....	800	800	— 800	....
Dunkirk	50,817	29,348	80,165	9,644	30,753	40,397	+ 39,768	98.44
Antwerp	19,862	22,289	41,971	6,693	12,427	19,120	+ 22,851	119·51
Antwerp or Liverpool	....	....	....	....	160	160	— 160	....
Antwerp or Dunkirk	....	231	231	....	....	....	+ 231	....
Antwerp, Hamburg, Bremen, Rotterdam—for orders.	292	813	1,105	457	2,016	2,473	— 1,368	55.31
Ghent	26,481	23,545	50,026	9,034	14,948	23,982	+ 26,044	108.59
Rotterdam	5,640	5,660	11,300	1,040	3,955	4,995	+ 6,305	126·22
Copenhagen	....	....	....	27	....	27	— 27	....
Gothenburg	30	....	30	....	110	110	— 80	72·72
Hamburg	8,525	8,845	17,370	3,952	10,584	14,536	+ 2,834	19.49
Bremen	10,494	10,519	21,013	2,556	2,663	5,219	+ 15,794	302.62

Comparative statement showing the Actual Clearances of Cotton from Bombay by Sea to different Ports —contd.

To	1933. Six months ending 30th June.	1933. Six months ending 31st Dec.	1933. Total for 12 months.	1932. Six months ending 30th June.	1932. Six months ending 31st Dec.	1932. Total for 12 months.	Increase or Decrease.		Per-centage.
	Bales.	Bales.	Bales.	Bales.	Bales.	Bales.	Bales.		
Weserhafen	....	....	....	125	....	125	—	125	.....
Gdynia	660	4,538	5,198	....	....	....	+	5,198	....
Pasages	1,870	1,380	3,250	1,150	1,395	2,545	+	705	27·70
Barcelona	9,053	14,341	23,394	4,999	8,187	13,186	+	10,208	77·41
Santander	.....	....	.....	40	....	40	—	40	....
Tarragona	100	....	100	....	325	325	—	225	69·23
Oporto	....	....	....	45	....	45	—	45	....
Fiume	495	495	990	165	236	401	+	589	146·88
Trieste	10,364	14,820	25,184	735	8,582	9,317	+	15,867	170·30
Genoa	21,320	23,419	44,739	2,283	10,671	12,954	+	31,785	245·36
Genoa or Naples ..	....	....	....	....	55	55	—	55	....
Leghorn	....	220	220	110	....	110	+	110	....
Venice	6,546	8,454	15,000	3,308	8,188	11,496	+	3,504	30·48
Naples	2,660	1,947	4,607	....	220	220	+	4,387	....
Mestre	778	2,935	3,713	....	1,190	1,190	+	2,523	212·01
Bourgas	....	105	105	....	....	....	+	105	....
Salonica	650	2,840	3,490	....	75	75	+	3,415	....
Mytelene	....	25	25	....	....	....	+	25	....
Piraeus	1,130	4,593	5,723	....	1,497	1,497	+	4,226	282·29

To	1933			1934			Increase or Decrease.	Percentage.
	Six months ending 30th June.	Six months ending 31st Dec.	Total for 12 months.	Six months ending 30th June.	Six months ending 31st Dec.	Total for 12 months.		
	Bales.	Bales.	Bales.	Bales.	Bales.	Bales.	Bales.	
Chalkis	75	....	75	....	....	....	+ 75	....
Volos	50	....	50	50	....	50	....	....
Syra	50	450	500	....	....	....	+ 500	.....
Australian Ports ..	156	500	656	585	1,670	2,255	— 1,599	70·90
Jaffa	....	25	25	....	....	....	+ 25	....
Japanese Ports ..	780,783	71,461	852,244	309,312	291,980	601,292	+ 250,952	41·73
Chinese Ports ..	89,450	114,884	204,334	88,380	13,290	101,670	+ 102,664	100·97
Haiphong	....	5,200	5,200	....	....	....	+ 5,200	.....
Mauritius	6	....	6	....	....	....	+ 6	....
Colombo	285	100	385	1,131	274	1,405	— 1,020	72·59
Jeddah	24	....	24	....	....	....	+ 24	....
Calcutta and Coast Ports.	16,965	13,261	30,226	15,605	6,604	22,209	+ 8,017	36·09
Total ..	1,121,116	424,395	1,545,511	473,422	450,880	924,302	Increase+ 621,209	or 67·20 per cent.

COTTON.

Receipts at, and Exports from, Bombay Port, also Mill Consumption in the Island of Bombay.

In thousands of Bales (000's omitted).

Year ending 30th June.	Receipts.	Exports to			Mill Consumption.	Total.
		Europe.	Elsewhere.	Total.		
1864 ..	...	867	3	870	American War In '63 and 64 Bombay imported Cotton from China.	
1865 ..	..	1,065	1	1,066		
1866 ..	..	1,187	14	1,201	42	1,243
1867 ..	..	1,277	5	1,282	46	1,328
1868 ..	..	1,030	48	1,078	47	1,125
1869 ..	..	1,225	56	1,281	48	1,329
1870 ..	..	1,115	50	1,165	49	1,214
1871 ..	..	967	39	1,006	50	1,056
1872 ..	1,085	1,002	48	1,050	52	1,102
1873 ..	1,151	1,079	34	1,113	53	1,166
1874 ..	978	917	34	951	67	1,018
1875 ..	1,311	1,192	25	1,217	83	1,300
1876 ..	1,345	1,285	20	1,305	135	1,440
1877 ..	1,073	980	35	1,015	147	1,162
1878 ..	1,141	920	38	958	161	1,119
1879 ..	961	800	46	846	204	1,050
1880 ..	832	652	64	716	181	897
1881 ..	1,171	874	34	908	220	1,128
1882 ..	1,832	1,521	87	1,608	277	1,885
1883 ..	1,770	1,335	95	1,430	313	1,743
1884 ..	1,759	1,295	100	1,395	348	1,743
1885 ..	1,139	791	70	861	392	1,253
1886 ..	1,480	1,009	61	1,070	391	1,461
1887 ..	1,703	1,147	40	1,187	454	1,641
1888 ..	1,472	893	58	951	500	1,451
1889 ..	1,851	1,286	46	1,332	565	1,897
1890 ..	2,235	1,488	71	1,559	636	2,195
1891 ..	2,020	1,070	107	1,177	762	1,939
1892 ..	1,770	905	202	1,107	728	1,835
1893 ..	1,738	816	169	985	724	1,709
1894 ..	1,769	908	159	1,067	731	1,798
1895 ..	1,540	525	143	668	815	1,483
1896 ..	2,151	800	346	1,146	849	1,995
1897 ..	1,612	603	405	1,008	703	1,711
1898 ..	1,730	424	409	833	817	1,650
1899 ..	2,033	578	520	1,098	951	2,049
1900 ..	988	117	444	561	745	1,306
1901 ..	1,896	620	340	960	696	1,656
1902 ..	2,142	525	732	1,257	987	2,244
1903 ..	2,454	921	349	1,270	986	2,256
1904 ..	2,151	1,036	423	1,459	973	2,432
1905 ..	2,609	384	664	1,048	1,072	2,120
1906 ..	2,663	1,017	477	1,494	1,141	2,635
1907 ..	2,949	1,169	747	1,916	1,115	3,031
1908 ..	2,123	731	454	1,185	1,079	2,264
1909 ..	2,166	643	723	1,366	1,099	2,465
1910 ..	3,152	1,054	968	2,022	984	3,006
1911 ..	2,467	1,014	668	1,682	953	2,635
1912 ..	2,540	383	923	1,306	1,078	2,384

COTTON.

RECEIPTS at, and Exports from, Bombay Port, also Mill Consumption in the Island of Bombay.

In thousands of Bales (000's omitted).

Year ending 31st August.	RECEIPTS.		Total Receipts.	EXPORTS.			Total Exports.	Mill Consumption.	Total.
	India.	Foreign Countries.		Europe.	China and Japan.	Elsewhere.			
1913	2,733	46	2,779	534	1,023	30	1,587	* 1,072	2,659
1914	3,733	6	3,739	1,301	1,245	24	2,570	1,078	3,648
1915	2,683	5	2,688	405	1,441	15	1,861	1,026	2,887
1916	3,133	6	3,139	294	1,691	8	1,993	1,096	3,089
1917	3,103	17	3,120	302	1,321	7	1,630	1,131	2,765
1918	2,279	27	2,306	293	1,213	7	1,513	1,068	2,581
1919	2,525	18	2,543	195	885	11	1,091	1,000	2,091
1920	3,405	22	3,427	629	1,579	24	2,232	957	3,189
1921	2,786	116	2,902	494	1,381	26	1,901	1,061	2,962
1922	3,383	109	3,492	645	1,896	52	2,593	1,074	3,667
1923	3,611	61	3,672	851	2,086	53	2,990	1,060	4,050
1924	3,227	93	3,320	1,104	1,558	53	2,715	821	3,536
1925	3,573	95	3,668	713	2,021	33	2,767	995	3,762
1926	3,208	127	3,335	552	1,874	26	2,452	778	3,230
1927	2,692	474	3,166	419	1,539	27	1,985	995	2,980
1928	3,235	189	3,424	798	1,391	34	2,223	569	2,792
1929	3,233	123	3,356	906	1,796	61	2,763	631	3,394
1930	3,317	163	3,480	946	1,647	63	2,656	877	3,533
1931	2,933	470	3,403	599	1,903	27	2,529	839	3,368
1932	1,557	538	2,095	153	763	38	954	921	1,875

N.B.—As noted in the Chamber's Report for 1913, the figures shown above represent the volume of trade in cotton from 1st September to 31st August instead of for the year ending 30th June as was previously the case.

* Year ending 30th June.

RAINFALL AT BOMBAY, 1843 TO 1933.

The following statement showing the Rainfall registered at the Colaba Observatory, Bombay, for each month during the years 1843-1933, is published for the information of members:—

Year.	January.	February.	March.	April.	May.	June.	July.	August.	September.	October.	November.	December.	Annual Total.
1843 ..	..	..	..	..	0·15	7·61	20·62	17·70	8·39	0·77	..	..	55·24
1844 ..	0·06	0·33	..	..	..	18·58	29·28	5·91	8·05	0·40	..	0·10	62·71
1845 ..	..	..	..	..	..	17·88	18·07	9·54	8·63	..	..	..	54·12
1846 ..	..	..	..	..	..	26·41	33·19	6·65	6·65	1·03	..	..	73·93
1847 ..	0·09	0·02	..	0·31	1·40	37·56	16·46	8·68	5·68	0·28	5·53	..	76·01
1848 ..	..	..	..	0·59	5·67	39·98	13·90	7·37	2·32	5·84	0·19	..	75·86
1849 ..	0·34	..	..	..	..	23·41	50·99	12·66	26·13	0·75	0·61	..	114·89
1850 ..	..	..	..	..	..	14·80	20·15	5·39	4·77	4·89	0·25	..	50·25
1851 ..	..	..	..	..	0·52	24·50	47·02	20·03	3·89	0·04	0·07	..	96·07
1852 ..	..	..	0·01	..	0·30	21·76	22·17	11·16	12·67	0·19	..	1·01	69·27
1853 ..	..	0·05	0·02	..	..	33·70	13·05	5·95	9·83	..	..	..	62·66
1854 ..	..	..	..	..	..	16·34	38·95	3·90	13·61	7·49	1·85	..	82·14
1855 ..	..	..	..	..	..	29·18	11·83	3·82	5·29	9·06	..	..	50·18
1856 ..	..	..	..	..	2·09	24·66	24·48	6·73	7·78	0·06	..	0·12	65·92
1857 ..	..	..	..	..	0·57	9·26	8·74	15·71	14·21	2·78	..	..	51·27
1858 ..	..	..	..	0·15	1·57	14·44	20·12	7·48	15·47	3·22	..	..	62·45
1859 ..	..	..	..	..	..	26·87	28·70	14·59	5·94	1·06	..	..	77·16
1860 ..	..	..	..	..	0·03	21·97	22·39	7·11	8·15	2·50	..	..	62·15
1861 ..	..	..	..	..	0·60	16·43	25·34	30·35	3·24	1·86	..	..	76·91
1862 ..	..	..	..	..	0·01	22·31	15·10	12·65	21·69	1·42	0·45	..	73·63
1863 ..	0·41	..	..	0·11	0·07	23·41	30·78	10·60	9·98	2·32	..	..	77·68
1864 ..	..	..	..	..	0·01	15·42	13·36	10·72	5·52	..	0·47	..	45·57
1865 ..	0·38	..	..	..	..	10·61	18·28	36·42	4·86	6·16	1·14	..	77·85
1866 ..	..	0·11	..	..	..	13·47	40·34	20·34	3·44	0·74	..	..	78·44
1867 ..	..	..	..	..	..	8·70	39·39	12·21	6·80	5·07	0·13	..	72·30
1868 ..	..	..	0·01	..	..	13·52	20·43	20·29	7·71	0·14	0·02	..	62·12
1869 ..	..	..	..	..	0·03	26·22	23·89	15·24	22·56	3·55	0·05	0·12	91·66
1870 ..	..	..	0·03	0·02	..	21·73	26·43	6·27	7·08	4·65	..	..	66·21
1871 ..	2·22	..	..	..	1·25	8·91	9·96	8·95	6·01	0·25	2·97	0·06	40·58
1872 ..	..	..	..	..	0·06	24·43	24·84	9·49	16·59	1·07	..	..	76·48
1873 ..	..	0·05	..	..	0·51	20·36	16·98	23·96	7·77	0·07	..	..	69·70
1874 ..	..	..	..	..	0·05	18·68	41·24	11·14	11·05	0·02	..	..	82·18
1875 ..	0·47	..	..	..	..	24·36	15·39	12·23	31·76	..	0·35	..	84·56
1876 ..	..	..	..	..	0·01	12·97	23·69	8·66	4·68	..	..	..	50·01
1877 ..	0·22	0·52	..	..	..	35·58	11·10	8·51	8·89	8·33	..	..	73·15
1878 ..	0·03	..	..	0·02	0·02	19·99	48·33	20·46	16·42	4·89	2·61	..	112·77
1879 ..	..	..	0·03	..	5·23	16·56	11·21	22·36	5·61	0·40	..	..	61·40
1880 ..	..	0·01	0·02	..	..	21·48	18·37	4·08	22·80	1·18	..	..	67·94
1881 ..	..	..	0·04	..	0·36	15·29	29·47	19·06	4·56	4·17	0·09	..	73 04
1882 ..	..	0·04	0·02	0·08	0·02	27·54	26·94	3·36	10·08	1·12	0·03	..	69·23
1883 ..	0·12	..	..	..	0·33	13·65	39·88	12·57	12·37	10·40	0·86	..	90·18
1884 ..	0·03	..	..	..	..	13·25	25·87	15·29	17·04	2·22	0·60	1·14	75·44
1885 ..	..	..	..	..	0·02	5·11	21·81	25·42	12·01	3·54	..	..	67·91
1886 ..	..	..	..	0·01	0·96	43·45	35·79	10·69	6·54	1·69	0·61	..	99·74
1887 ..	..	..	..	0·02	0·09	24·07	30·98	17·59	18·23	2·79	1·02	0·16	94·95
1888 ..	1·85	0·02	0·10	..	..	15·76	22·47	11·43	4·92	0·11	1·16	..	57·82
1889 ..	..	..	..	..	0·67	19·89	30·45	10·32	2·71	3·80	..	..	67·84
1890 ..	..	..	..	0·01	0·06	24·55	21·54	10·61	6·45	0·58	1·25	1·13	66·18
1891 ..	..	..	0·22	..	..	13·99	32·48	6·94	22·53	1·04	..	..	77·20
1892 ..	..	..	..	..	0·11	13·30	23·86	36·56	18·73	1·89	0·67	..	95·12
1893 ..	..	0·14	..	0·02	6·30	21·47	16·14	13·55	7·54	0·45	1·63	..	67·24
1894 ..	0·22	..	0·06	0·01	..	16·87	26·16	8·40	12·04	3·08	..	0·01	66·85
1895 ..	..	0·07	..	..	0·08	17·84	18·04	15·97	11·91	3·62	0·06	..	67·59
1896 ..	..	..	..	..	0·26	28·02	36·44	20·77	1·62	0·01	0·53	..	87·65
1897 ..	0·01	..	..	..	..	14·40	30·10	13·82	20·60	2·51	0·22	..	81·75
1898 ..	..	0·17	..	..	0·16	27·21	20·72	5·28	19·94	0·48	0·13	..	74·09
1899 ..	..	..	..	1·57	0·08	20·81	4·72	5·23	3·49	..	..	..	35·90
1900 ..	..	..	..	..	..	18·26	25·75	17·62	7·49	..	..	..	69·12

Year.	January.	February.	March.	April.	May.	June.	July.	August.	September.	October.	November.	December.	Annual Total.
1901 ..	0·74	..	..	0·04	0·01	25·36	32·70	14·27	1·81	0·39	..	..	75·37
1902 ..	..	..	..	..	..	9·77	16·96	16 53	27·11	0·78	0·01	0·81	71·99
1903 ..	..	..	0·17	..	7·79	19·75	24·82	18·23	7·82	5·91	..	..	84·42
1904 ..	..	..	0·07	..	0·02	15·10	10·14	5·72	1·81	0·56	..	..	33·42
1905 ..	..	0·08	..	..	..	6·53	15·30	4·35	0·16	0·20	1·04	..	33·56
1906 ..	..	0·15	..	..	..	12·91	18·34	20·92	3·98	..	..	..	56·30
1907 ..	..	0·27	..	0·06	..	22·48	59·05	15·99	2·26	0·67	..	..	100·73
1908 ..	0·09	0·07	0·06	..	..	12·39	23·65	9·87	6·79	0·62	..	..	53·54
1909 ..	..	..	..	..	..	16·60	30·05	8·52	16·05	..	..	..	71·22
1910 ..	..	..	..	..	0·03	23·50	6·50	18·15	15·25	4·29	0·14	..	67·86
1911 ..	0·06	..	..	..	0·04	10·85	15·24	17·09	2·96	..	0·27	..	46·51
1912 ..	..	..	..	..	0·43	10·79	25·40	9·90	3·26	0·65	3·62	..	54·05
1913 ..	..	0·07	..	..	..	25·81	33·33	3·72	5·75	2·35	..	..	71·03
1914 ..	..	0·08	..	0·07	..	16·65	30·13	13·27	21·06	0·01	0·18	..	81·45
1915 ..	..	0·30	0·69	0·06	0·36	39·78	14·62	8·45	10·78	2·55	0·02	..	77·61
1916 ..	..	..	..	..	0·04	0·07	23·43	22·78	19·51	14·59	4·79	0·72	..	85·93
1917 ..	..	1·68	..	..	..	0·88	14·96	13·26	32·18	16·92	19·96	..	..	99·84
1918 ..	..	..	1·46	..	11·00	10·82	4·25	4·81	3·11	..	0·09	..	35·54
1919 ..	0·11	..	..	..	..	16·31	31·30	10·85	8·03	1·54	0·18	..	68·32
1920 ..	0·99	0·33	..	..	..	8·16	22·00	5·18	4·05	0·34	..	..	41·05
1921 ..	..	..	..	..	..	26·74	35·68	10·36	13·02	0·22	..	..	86·02
1922 ..	..	..	..	..	..	26·48	31·15	5·08	6·05	0·61	..	0·14	70·41
1923 ..	..	0·05	..	0·02	..	7·19	43·26	8·72	18·32	..	..	..	77·56
1924 ..	..	..	..	..	..	7·46	16·73	15·43	12·13	0·06	0·38	..	52·19
1925 ..	..	..	..	..	2·76	27·86	8·38	7·71	3·52	0·22	0·37	..	50·82
1926 ..	2·99	..	..	..	0.10	6.19	30.88	22.21	8.98	1.29	..	..	72.64
1927 ..	..	0.04	0.03	..	..	32·52	16.85	6·74	5.33	7·30	5·48	0·09	74·38
1928 ..	..	0·01	..	..	..	27·71	30·93	16.65	9·91	0·43	0·09	..	85·72
1929 ..	0·63	..	0·02	0·04	..	25·45	16·08	6·06	5·58	4·82	0·22	0·86	59·76
1930 ..	..	..	..	..	0·02	26·71	10·26	6·64	43·85	2·50	..	..	89·98
1931 ..	..	..	..	0·01	..	6·08	47·50	23·71	4·48	13·07	2·40	0·69	97·94
1932 ..	..	..	..	..	..	10·62	35·30	6·96	11·13	9·01	0·01	..	73·03
1933 ..	..	..	..	..	2·85	10·29	14·13	18·81	12·31	3·04	0·01	0·03	62·37

RAINFALL OF THE YEAR 1933.

The following table is compiled from the Reports issued by the Meteorological Department in order to present, in a condensed form, a definite record of the weather during the South-West Monsoon months of the past year and also during the whole year:—

DIVISION.	STATION.	From 1st June to 31st Oct. 1933.	Departure from normal during period.	From 1st Jan. to 31st Dec. 1933	Annual normal.
Bay Islands..	Port Blair	87·1	+ 8·7	116·7	116
Lower Burma.	Victoria Point	117·3	—10·4	139·3	166
	Mergui	142·5	+13·9	167·2	161
	Tavoy	172·6	—11·6	192·8	215
	Amherst	163·9	..	190·4	213
	Rangoon	81·9	+ 0·4	103·1	99
	Bassein	81·7	—12·3	97·9	100
	Diamond Island	125·4	+25·9	144·4	118
	Gwa	137·7	—17·1	155·0	172
	Toungoo	78·4	+ 8·0	86·3	83
	Kyaukpyu	147·7	—15·0	120·7	188
	Akyab	132·0	—48·5	169·1	203
	Minbu	33·0	+ 6·7	43·0	35
	Yamethin	26·5	— 1·1	34·1	38
	Mandalay	16·3	— 7·5	29·0	33
Upper Burma.	Monywa	17·1	— 5·8	28·1	31
	Lashio	39·1	— 8·9	53·5	62
	Bhamo	68·5	+ 8·3	80·0	72
	Myitkyina	78·2	+11·1	85·0	79

DIVISION.	STATION.	From 1st June to 31st Oct. 1933.	Departure from normal during period.	From 1st Jan. to 31st Dec. 1933.	Annual normal.
ASSAM ..	Dibrugarh	77·9	+ 0·7	105·1	108
	Sibsagar	78·1	+13·8	103·9	96
	Tezpur	50·6	— 2·6	67·9	74
	Gauhati	31·4	—14·1	44·6	65
	Dhubri	54·1	—19·5	60·2	97
	Silchar	90·9	+ 8·7	117·0	125
BENGAL ..	Cox's Bazar	82·5	—35·5	90·4	141
	Chittagong	103·7	+22·4	119·5	103
	Narayanganj	61·4	+ 8·1	81·7	74
	Barisal	70·0	+ 7·0	88·2	82
	Jessore	53·6	+ 4·3	76·6	66
	Calcutta	67·8	+16·6	81·6	63
	Saugor Island	94·8	+35·5	106·9	69
	Burdwan	53·9	+ 7·8	70·9	59
	Berhampore	60·1	+12·9	75·2	57
	Mymensingh	59·3	—11·0	79.7	93
	Bogra	61·3	+ 4·2	79·3	71
	Dinajpur	78·0	+18·6	89·7	71
	Jalpaiguri	104·9	0	120·5	122
ORISSA ..	Balasore	65·0	+14·9	76·4	63
	Chandbali	90·5	..	97·2	61
	Cuttack	80·1	+29·9	86·9	59
	Sambalpur	62·6	+ 2·0	73·1	66
CHOTA NAGPUR.	Chaibasa	55·4	+12·1	65·0	52
	Ranchi	47·3	— 2·3	62·2	57
	Hazaribagh	43.2	— 3·8	56·8	53
	Daltongani	37·0	— 3·4	42·9	45
BIHAR ..	Purnea	50·6	— 4·2	59·4	62
	Darbhanga	44·2	— 0·8	51·7	50
	Patna	44·3	— 0·1	50·2	49
	Gaya	37·6	— 6·1	46·8	47
	Naya Dumka	50·0	+ 0·1	58·8	57
UNITED PROVINCES, EAST.	Gorakhpur	51·4	+ 5·0	56·3	50
	Benares	27·7	— 9·8	33·0	41
	Allahabad	24·9	—11·5	29·7	39
	Cawnpore	27·9	— 5·3	30·8	36
	Lucknow	19·5	—15·6	25·7	39
	Bahraich	40·9	+ 0·5	48·1	45
UNITED PROVINCES, WEST.	Jhansi	36·9	+ 2·9	41·3	36
	Agra	35·7	+11·3	37·5	27
	Mainpuri	31·8	+ 7·7	34·5	27
	Bareilly	44·3	+ 4·9	49·2	44
	Meerut	37·8	+10·3	42·4	32
	Roorkee	40·8	+ 4·9	44·9	42
	Dehra Dun	97·3	+23·4	109·3	83
PUNJAB, EAST AND NORTH.	Delhi	57·3	+34·2	60·3	27
	Hissar	21·7	+10·0	24·9	15
	Ambala	72·4	+48·3	81·6	31
	Ludhiana	32·6	+10·2	36·0	29
	Lahore	17·9	+ 2·8	20·1	20
	Sialkot	35·0	+12·1	40·1	31
	Rawalpindi	25·9	+ 2·9	36·6	35
PUNJAB, SOUTH-WEST.	Khushab	18·7	+ 8·9	19·9	15
	Lyallpur	14·1	+ 2·9	14·6	13
	Montgomery	12·4	+ 4·4	13·2	11
	Multan	5·5	+ 0·5	6·4	7
	Bahawalpur	4·3	+ 0·5	4·8	6
	Khanpur	6·9	+ 2·1	7·6	7

DIVISION.	STATION.	From 1st June to 31st Oct. 1933.	Departure from normal during period.	From 1st Jan. to 31st Dec. 1933.	Annual normal.
KASHMIR ..	Srinagar	13·4	+ 4·5	28·4	26
	Sonamarg	18·4	+ 2·8	5·3	71
	Dras	3·7	+ 0·3	27·8	21
	Leh	7·0	+ 5·4	8·7	3
	Skardu	1·5	— 0·5	4·2	7
	Gilgit	1·2	— 0·8	3·0	5
N. W. FRONTIER PROV.	Peshawar	7·1	+ 2·3	14·1	13
	Miranshah	2·8	..	5·9	..
	Dera I. Khan	6·4	+ 1·0	8·9	9
	Fort Sandeman	4·4	— 1·1	7·5	11
BALUCHISTAN.	Harnai	9·3	+ 1·5	15·4	14
	Quetta	3·1	+ 1·6	10·1	10
	Chaman	0	— 0·3	5·0	7
	Kalat	2·5	+ 1·2	8·7	7
	Dalbandin	0·3	0	4·9	4
	Panjgur	..	..	..	5
	Pasni	0·7	— 0·4	1·5	7
	Jacobabad	5·1	+ 2·8	5·7	4
	Chhor	2·1	..	3·1	..
SIND ..	Hyderabad	7·9	+ 1·8	8.6	7
	Karachi	19·7	+ 13·8	20·1	8
	Badin	12·5	..	14·7	9
RAJPUTANA, WEST.	Bikaner	16·1	+ 6·4	17·3	12
	Jodhpur	21·9	+ 9·6	24·9	14
	Barmer	12·1	..	14·8	10
RAJPUTANA, EAST.	Jaipur	36·7	+14·7	39·6	24
	Ajmer	30·3	+11·7	35·3	21
	Kotah	27·0	+ 0·7	29·9	28
	Jhalrapatan	47·5	..	55·3	36
	Udaipur	34·5	+12·5	36·2	24
	Deesa	36·1	+12·4	39·0	25
GUJARAT ..	Bhuj	17·8	+ 4·0	27·1	14
	Dwarka	36·2	+23·4	37·0	13
	Rajkot	26·3	+ 1·0	29·4	26
	Veraval	47·9	+29·8	52·2	19
	Surat	49·7	+ 9·5	53·4	41
	Bhavnagar	22·9	+ 2·8	28·6	21
	Ahmedabad	41·2	+13·2	43·0	29
	Dohad	42·8	..	45·1	30
	Guna	53·5	..	58·8	..
CENTRAL INDIA, WEST.	Neemuch	48·1	+20·5	52·8	29
	Indore	52·2	+20·9	58·8	33
	Bhopal	50.2	..	54·0	44
CENTRAL INDIA, EAST.	Nowgong	32·2	— 7·8	35·7	42
	Sutna	30·3	—11·0	28·7	45
BERAR ..	Akola	37·3	+ 8·6	39·8	31
	Amraoti	43·7	+13·8	46·5	33
CENTRAL PROVINCES, WEST.	Khandwa	39·0	+11·3	40·8	30
	Hoshangabad	50·8	+ 4·8	54·0	49
	Saugor	46·5	+ 4·7	48·9	45
	Jubbulpore	56·1	+ 4·8	58·7	55
	Seoni	55·8	+ 7·1	71·0	53
	Nagpur	65.9	+21·1	76·0	49
CENTRAL PROVINCES, EAST.	Pendra	51·7	+ 8·0	63·2	50
	Raipur	58·5	+11·8	70·3	51
	Kanker	56·3	..	64·4	51
	Chanda	64·4	+16·7	76·4	51
	Jagdalpur	55·5	— 1·1	64·7	64
KONKAN ..	Bombay	58·6	—10·5	62·3	71
	Ratnagiri	115·4	+18·1	123·6	100
	Marmagoa	94·8	..	125·1	..
	Karwar	150·3	+36·2	109·8	118

DIVISION.	STATION.	From 1st June to 31st Oct. 1932.	Departure from normal during period.	From 1st Jan. to 31st Dec. 1932.	Annual normal.
BOMBAY DECCAN.	Malegaon	28·9	+ 8·8	30·6	22
	Ahmednagar	31·3	+11·8	39·0	22
	Khandala	220·0	..	222·5	..
	Poona	30·9	+ 6·9	39·5	27
	Sholapur	19·6	— 4·8	27·4	29
	Miraj	20·6	..	28·2	25
	Bijapur	19 9	+ 2·7	30·4	21
	Belgaum	54·4	+10·9	66·6	50
	Gadag	21·9	..	30·7	25
HYDERABAD, NORTH.	Aurangabad	34·9	+ 10·0	40·4	27
	Parbhani	38·7	+ 9·7	45·1	33
	Nizamabad	42·8	+ 6·1	50·2	40
HYDERABAD, SOUTH.	Gulbarga	23·3	— 3·7	30·2	31
	Raichur	29·5	+ 4·9	35·9	27
	Hyderabad	34·9	+ 7·3	45·3	32
	Hanamkonda	36·9	+ 6·5	..	34
MYSORE	Chitaldrug	28·9	+11·2	41·8	25
	Bangalore	29·9	+ 4·5	41·3	35
	Mysore	25·2	+ 4·9	39·4	31
MALABAR	Mangalore	137·4	+23·1	167·2	126
	Calicut	116·7	+18·8	167·7	117
	Cochin	95·3	+ 8·9	155·8	115
	Trivandrum	85·2	+25·6	119·6	65
MADRAS, SOUTH-EAST	Palamcottah	10·7	+ 1·1	34·5	28
	Pamban	9·2	— 2·5	24·2	37
	Madura	21·3	+ 0·8	36·1	34
	Negapatam	14·5	— 6·6	44·3	55
	Trichinopoly	23·8	+ 5·3	38·7	33
	Coimbatore	17·6	+ 5·4	27·0	22
	Salem	38·9	+11·9	49·3	39
	Cuddalore	12·7	—18·9	38·6	53
	Vellore	16·1	—11·4	27·3	42
	Madras	15·8	—11·3	39·7	51
MADRAS DECCAN.	Cuddapah	17·5	— 6.5	24·0	31
	Bellary	28·0	+13·0	37·4	21
	Kurnool	18·6	— 3·9	28·2	26
	Anantapur	20·4	..	28·6	25
	Nellore	28·5	+ 8·1	53·3	38
MADRAS COAST, NORTH.	Masulipatam	36·1	+ 4·0	43·7	42
	Cocanada	30·1	+ 0·4	35·2	39
	Vizagapatam	24·7	— 3·6	29·5	37
	Calingapatam	41·8	+ 7·4	44·6	42
	Gopalpur	48.5	+12·5	54·7	45
HILL STATIONS, EXCLUDING KASHMIR & BALUCHISTAN.	Maymyo	45·2	+ 3·0	67·3	59
	Shillong	54·5	— 8·2	69·7	84
	Cherrapunji	261·3	—72·2	319·1	424
	Darjiling	109·6	+ 3·9	132·6	123
	Mukteswar	52·9	+12·5	64·8	52
	Mussooree	97·8	+ 26·6	110·5	84
	Simla	46·3	— 2·3	61·8	64
	Dharampur	55·2	..	72·9	..
	Dalhousie	69·4	+ 11·7	95·6	85
	Murree	58·7	+21·1	82·2	60
	Cherat	23·0	+ 11·3	33·6	27
	Parachinar	17·9	..	33·4	29
	Drosh	3·5	..	18·1	17
	Mount Abu	75·6	+17·1	80·1	61
	Pachmarhi	96·4	+23·8	106·6	77
	Mahabaleshwar	288·3	+28·2	296·5	266
	Mercara	138·3	+26·0	160·2	125
	Kodaikanal	39·9	+ 6·9	73·4	62
	Coonoor	24·7	..	49·3	66
CEYLON	Colombo	44·4	+ 9.1	89·1	54

STATEMENT showing the total Measurement of Bales and Miscellaneous Packages with Receipts, Expenditure, &c.

Year ending.	No. of Bales and Packages measured.	Receipts.	Expenditure.	Surplus Receipts.	Excess of Expenditure.
		Rs.	Rs.	Rs.	Rs.
From 18th May 1870 to 30th November 1872	Not recorded	52,215	36,315	15,900	..
From 1st December 1872 to 30th November 1873	1,086,577	16,995	15,291	1,704	..
Year ending 30th Nov. 1874	1,402,379	21,707	18,986	2,721	..
Do. 30th Nov. 1875	1,474,470	23,039	22,009	1,030	..
Do. 30th Nov. 1876	1,240,034	19,375	22,355	..	2,980
Do. 30th Nov. 1877	1,101,318	18,324	21,561	..	3,230
Do. 30th Nov. 1878	1,040,961	20,837	23,287	..	2,457
Do. 30th Nov. 1879	887,100	28,808	20,140	8,668	..
Do. 30th Nov. 1880	1,163,545	33,219	20,804	10,135	..
Do. 30th Nov. 1881	1,313,592	25,177	24,029	1,147	..
Do. 30th Nov. 1882	1,892,796	33,225	24,757	8,468	..
Do. 30th Nov. 1883	1,852,047	33,792	25,605	8,187	..
Do. 30th Nov. 1884	1,814,986	33,404	22,604	10,800	..
Do. 31st Dec. 1885	1,402,845	29,482	24,385	5,097	..
Do. 31st Dec. 1886	1,748,856	32,893	21,582	11,311	..
Do. 31st Dec. 1887	1,845,446	35,933	20,017	15,916	..
Do. 31st Dec. 1888	1,659,273	36,371	21,057	15,314	..
Do. 31st Dec. 1889	2,156,604	43,042	21,648	21,394	..
Do. 31st Dec. 1890	2,335,935	45,872	23,171	22,701	..
Do. 31st Dec. 1891	2,012,900	39,533	23,402	16,131	..
Do. 31st Dec. 1892	1,946,389	38,017	24,495	13,522	..
Do. 31st Dec. 1893	1,691,755	32,517	24,273	8,244	..
Do. 31st Dec. 1894	1,708,723	33,665	25,156	8,509	..
Do. 31st Dec. 1895	1,679,325	34,921	21,546	13,375	..
Do. 31st Dec. 1896	2,049,862	30,061	22,240	17,821	..
Do. 31st Dec. 1897	1,746,610	33,956	22,484	11,472	..
Do. 31st Dec. 1898	1,910,140	36,174	21,100	15,074	..
Do. 31st Dec. 1899	2,132,663	41,684	21,041	20,643	..
Do. 31st Dec. 1900	1,147,591	28,302	20,844	7,458	..
Do. 31st Dec. 1901	2,947,198	45,497	21,918	23,579	..
Do. 31st Dec. 1902	2,159,823	43,709	26,865	16,844	..
Do. 31st Dec. 1903	2,664,171	53,654	31,522	22,132	..
Do. 31st Dec. 1904	2,202,791	48,673	19,666	29,007	..
Do 31st Dec. 1905	2,534,599	53,255	21,427	31,828	..
Do. 31st Dec. 1906	2,685,432	54,215	23,516	30,699	..
Do. 31st Dec. 1907	2,976,312	60,171	27,054	33,117	..
Do. 31st Dec. 1908	2,302,349	48,844	29,706	19,138	..
Do. 31st Dec. 1909	2,736,023	57,502	28,310	29,192	..
Do. 31st Dec. 1910	3,163,919	65,853	30,617	35,236	..
Do. 31st Dec. 1911	2,390,016	54,123	34,028	20,095	..
Do. 31st Dec. 1912	2,528,825	55,571	31,953	23,018	..
Do. 31st Dec. 1913	3,127,997	64,049	32,441	31,608	..
Do. 31st Dec. 1914	3,336,685	65,197	36,014	29,183	..
Do. 31st Dec. 1915	3,361,744	73,410	35,002	38,408	..
Do. 31st Dec. 1916	3,409,241	85,407	37,571	47,836	..
Do. 31st Dec. 1917	2,944,353	67,356	41,363	25,996	..
Do. 31st Dec. 1918	1,933,943	73,386	41,640	31,746	..
Do. 31st Dec. 1919	2,910,991	86,189	46,154	40,035	..
Do. 31st Dec. 1920	3,027,873	1,06,901	70,146	36,755	..
Do. 31st Dec. 1921	3,407,858	1,54,071	70,208	83,863	..
Do. 31st Dec. 1922	3,517,691	1,60,333	76,399	83,934	..
Do. 31st Dec. 1923	2,602,835	1,24,179	76,939	47,240	..
Do. 31st Dec. 1924	2,365,531	1,16,002	72,034	43,968	..
Do. 31st Dec. 1925	2,111,055	1,09,375	69,703	39,672	..
Do. 31st Dec. 1926	1,785,602	1,08,621	68,203	40,418	..
Do. 31st Dec. 1927	1,573,756	1,33,382	74,855	58,527	..
Do. 31st Dec. 1928	1,991,021	1,13,092	71,963	41,129	..
Do. 31st Dec. 1929	1,825,481	1,02,578	69,338	33,240	..
Do. 31st Dec. 1930	1,812,795	1,00,015	69,192	30,823	..
Do. 31st Dec. 1931	1,288,522	82,470	62,917	19,553	..
Do. 31st Dec. 1932	985,491	79,726	60,855	18,871	..
Do. 31st Dec. 1933	1,255,823	77,857	57,161	20,696	..

Statement showing the total Measurement of Bales and Miscellaneous Packages, with Receipts for the years 1923 to 1932.

Years.	Nett Bales certified.		Nett Miscellaneous Articles.		Nett Round Logs.		Extra Fees.		Nett Totals.	
	Number of Bales.	Nett Fees.	Number of Packages.	Nett Fees.	Number of Logs.	Nett Fees.	Articles certified.	Amount.	Packages.	Nett Fees.
		Rs. a. p.		Rs. a. p.		Rs. a. p.		Rs. a. p.		Rs. a. p.
1923	2,024,508	63,265 14 0	668,323	57,951 2 3	4	2 0 0	..	2,960 7 6	2,692,835	1,24,179 7 9
1924	1,723,813	53,869 2 6	641,718	58,174 5 9	..	....	..	3,834 0 0	2,365,531	1,15,877 8 3
1925	1,5 9,403	49,356 5 6	531,652	55,700 2 6	..	....	..	4,318 7 6	2,111,055	1,09,374 15 6
1926	1,254,587	39,205 13 6	531,015	63,323 9 0	..	....	..	6,091 7 6	1,785,602	1,08,620 14 0
1927	994,512	31,141 0 0	577,244	68,542 0 0	..	....	..	33,699 10 0	1,573,756	1,33,382 10 0
1928	1,480,555	46,267 5 6	510,388	60,803 15 0	78	39 0 0	..	5,981 6 0	1,991,021	1,13,091 10 6
1929	1,328,917	41,528 10 6	496,505	58,565 3 0	59	29 8 0	..	2,876 0 6	1,825,481	1,02,999 6 0
1930	1,365,626	42,675 13 0	447,169	51,784 15 0	..	....	..	6,096 7 6	1,812,795	1,00,557 3 6
1931	882,510	27,578 7 0	406,012	47,149 1 0	..	....	..	7,743 1 0	1,288 522	82,470 9 0
1932	4,87,331	15,229 1 6	498,160	56,297 1 0	..	....	..	7,778 15 0	985,491	79,305 1 0
1933	8,34,305	26,072 0 6	4,21,518	46,986 4 0	..	....	..	4,257 2 6	12,55,823	77,315 7 0

FINANCIAL STATISTICS.

	Rs.
NOTE ISSUE—	
Total amount of Notes in circulation on the 31st December 1933	1,77,88,28,000
Total Rs. ..	1,77,88,28,000

	Rs.
RESERVE—	
Coin and Bullion—	
In India—	
Silver Coin	90,66,71,000
Gold Bullion and Coin	30,38,57,000
Silver Bullion under Coinage ..	10,92,00,000
In England—	
Gold and Silver Bullion	*Nil.*
In His Majesty's Dominions—	
Gold Bullion	*Nil.*
In transit between India, England and His Majesty's Dominions—	
Gold and Silver Bullion	*Nil.*
Total Coin and Bullion ..	1,31,97,28,000
Securities—(Purchase Price)—	
In India of the nominal value of Rs. 46,50,19,000.	45,91,00,000
In England	*Nil.*
Total Securities ..	45,91,00,000
Grand Total of Reserve ..	1,77,88,28,000
Internal Bills of Exchange held on account of Government under Section 20 of the Indian Paper Currency Act, 1923	....
Total Rs. ..	1,77,88,28,000

BALANCE OF THE GOLD STANDARD RESERVE	£
on 31st December 1933 in England amounted to	40,000,000
Total ..	£ 40,000,000

	£
Gold { In England	2,152,334
Gold { In India	8,265,000
Cash at short notice at the Bank of England	3,272
British Treasury Bills	14,785,440
Other British and Dominion Government Securities	14,793,954
Total ..	£ 40,000,000

BALANCE HELD IN CASH IN THE DISTRICT TREASURIES of the Government of India and at the credit of Government in the Imperial Bank of India on	Rs.
31st December 1928	7,73,00,000
,, ,, ,, ,, ,, ,, ,, ,, 1929	7,45,00,000
,, ,, ,, ,, ,, ,, ,, ,, 1930	9,28,14,000
,, ,, ,, ,, ,, ,, ,, ,, 1931	10,08,27,000
,, ,, ,, ,, ,, ,, ,, ,, 1932	8,77,78,000
,, ,, ,, ,, ,, ,, ,, ,, 1933	8,31,81,000

	Official year 1932-33. Rs	Official year 1931-32. Rs.	Official year 1930-31. Rs.
COINAGE OF SILVER IN INDIA—(Bombay and Calcutta Mints)— Whole Rupees and Small Coins	*Nil.*	*Nil.*	18,23,532

NET PROFIT ON COINAGE for the year ending 31st December 1933	Rs. *Nil.*

AMOUNT OF GOVERNMENT PROMISSORY NOTES standing on the London Registers at the end of March	Rs.
1929 ..	8,71,37,375
,, ,, ,, ,, ,, ,, ,, ,, ,, ,, ,, ,, 1930 ..	8,38,85,150
,, ,, ,, ,, ,, ,, ,, ,, ,, ,, ,, ,, 1931 ..	8,34,07,650
,, ,, ,, ,, ,, ,, ,, ,, ,, ,, ,, ,, 1932 ..	8,39,70,250
,, ,, ,, ,, ,, ,, ,, ,, ,, ,, ,, ,, 1933 ..	8,26,75,850
,, ,, ,, ,, ,, ,, ,, ,, ,, ,, ,, ,, 1934 ..	8,16,29,300

IMPORT AND EXPORT TRADE OF BRITISH INDIA.

STATEMENT showing the Annual Value of the Import and Export Trade of British India and the Total Miles of Railway opened.

Calendar Year.	Total Miles of Railway opened.	Year ending 31st March.	Imports.			Exports.		
			Merchandise.	Treasure.	Total Merchandise and Treasure.	Merchandise.	Treasure.	Total Merchandise and Treasure.
			Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
1878 ..	8217	1878	41,46,41,851	17,35,54,596	58,81,96,447	65,22,23,282	2,21,09,956	67,43,33,238
1879 ..	8494	1879	37,80,09,835	7,05,67,486	44,85,77,321	60,93,68,769	3,98,22,283	64,91,91,052
1880 ..	9162	1880	41,17,25,671	11,65,48,948	52,82,74,619	67,21,07,406	2,03,51,479	69,24,58,885
1881 ..	9890	1881	53,08,68,074	8,99,72,139	62,08,40,213	74,54,09,072	1,44,04,408	75,98,13,480
1882 ..	10149	1882	49,11,28,724	11,32,27,804	60,43,56,528	81,96,64,102	1,09,97,468	83,06.61.576
1883 ..	10458	1883	52,09,86,720	13,45,33,642	65,55,20,362	83,48,49,372	1,04,18,488	84.52.67,860
1884 ..	11631	1884	55,29,89,907	12,87,79,633	68,17,69,540	88,07,64,315	1,00,84,937	89,08,49,252
1885 ..	12283	1885	55,70,16,804	13,88,81,918	69,58,98,722	83,17,01,507	1,96,89,796	85,13,91,302
1886 ..	12892	1886	55,65,19,552	15,46,70,808	71,11,90,360	83,86,11,693	1,10,82,310	84,96,94,603
1887 ..	14103	1887	61,81,19,608	11,04,83,224	72,86,02,832	88,48,10,354	1,72,04,261	90,20,14,615
1888 ..	14576	1888	65,00,45,881	13,81,25,456	78,81,71,337	90,54,36,458	1,60,46,242	92,14,82,700
1889 ..	15887	1889	69,43,77,531	13,84,49,249	83,28,26,780	97,06,02,386	1,78,43,819	98,84,46,205
1890 ..	16401	1890	69,19,93,762	17,45,45,037	86,65,38,799	1,03,44,87,052	1,90,63,218	1,05,35,50,270
1891 ..	17308	1891	71,97,57,754	21,93,44,876	93,91,02,630	1,00,21,50,575	2,12,31,785	1,02,33,82,360
1892 ..	17815	1892	69,42,75,659	14,72,26,621	84,15,02,280	1,08,17,79,873	3,28,66,858	1,11,46,46,731
1893 ..	18504	1893	66,27,86,222	17,00,98,101	83,28,84,323	1,06,57,46,715	6,95,89,237	1,13,53,35,952
1894 ..	18900	1894	77,02,60,944	18,46,12,564	95,48,73,508	1,06,51,48,540	4,10,01,921	1,10,61,50,461
1895 ..	19547	1895	73,51,65,042	9,58,12,084	83,09,77,126	1,08,92,91,101	8,22,60,717	1,17,15,51,818
1896 ..	20254	1896	72,93,61,344	13,36,79,854	86,30,41,198	1,14,34,59,341	4,25,98,105	1,18,60,57,446
1897 ..	21115	1897	76,21,58,352	13,08,45,635	89,30,03,987	1,03,98,36,184	4,93,74,955	1,08,92,11,139
1898 ..	22040	1898	73,63,43,159	20,53,06,170	94,16,49,329	97,63,51,802	7,14,86,470	1,04,78,38,272
1899 ..	23523	1899	72,11,07,161	17,89,56,127	90,00,63,238	1,12,80,11,811	7,41,14,207	1,20,21,26,018

1900 ..	24752	1900	75,30,44,785	20,97,36,851	96,27,81,636	1,09,11,36,448	7,95,63,876	1,17,07,00,324
1901 ..	25363	1901	80,89,40,873	24,57,61,818	1,05,47,02,691	1,07,76,44,143	14,22,73,646	1,21,99,17,789
1902 ..	25931	1902	88,74,24,199	20,87,13,352	1,09,61,37,551	1,24,52,48,571	11,47,08,603	1,35,99,57,174
1903 ..	26956	1903	85,86,60,829	25,31,83,178	1,11,18,44,007	1,29,40,79,337	9,65,76,370	1,39,06,55,707
1904 ..	27565	1904	92,59,22,723	38,52,61,072	1,31,11,83,795	1,53,51,71,599	15,04,38,811	1,68,56,10,410
1905 ..	28295	1905	1,04,41,27,454	39,50,81,750	1,43,92,09,204	1,57,70,83,029	16,42,88,167	1,74,13,71,196
1906 ..	29097	1906	1,12,07,09,822	31,65,14,438	1,43,72,24,260	1,61,85,53,960	15,47,00,054	1,77,32,54,014
1907 ..	30010	1907	1,17,24,15,294	44,57,98,114	1,61,82,13,408	1,76,66,94,270	5,71,82,526	1,82,38,76,796
1908 ..	30576	1908	1,36,53,80,464	42,28,44,977	1,78,82,25,441	1,77,37,29,392	5,44,85,001	1,82,82,14,393
1909 ..	31490	1909	1,28,77,81,788	22,74,41,677	1,51,52,23,465	1,53,14,31,953	6,32,02,465	1,59,46,34,418
1910 ..	32099	1910	1,22,64,97,224	37,52,34,734	1,60,17,31,958	1,87,83,04,410	6,39,90,403	1,94,22,94,813
1911 ..	32839	1911	1,33,70,57,458	39,77,35,730	1,73,47,93,188	2,10,15,16,030	7,12,69,254	2,17,27,85,284
1912 ..	33484	1912	1,44,05,54,383	53,47,08,480	1,97,52,62,863	2,27,98,82,325	10,37,39,063	2,38,36,21,388
1913 ..	34656	1913	1,66,62,96,807	61,83,17,536	2,28,46,14,343	2,46,21,83,342	10,63,17,656	2,56,85,00,998
*1913–14..	34656	1914	1,91,30,79,586	43,43,96,503	2,34,74,76,089	2,49,00,74,896	7,08,28,850	2,56,09,03,746
*1914–15..	35285	1915	1,44,93,07,207	21,80,83,236	1,66,73,90,443	1,82,17,60,256	5,28,94,370	1,87,46,54,626
*1915–16..	35833	1916	1,38,16,93,032	11,94,62,390	1,50,11,55,422	1,99,48,03,975	8 22 57 819	2,07,70,61,794
*1916–17..	36286	1917	1,60,24,89,599	37,71,08,121	1,97,95,97,720	2,47,31,10,343	6,29,72,057	2,53,60,82,400
*1917–18..	36333	1918	1,64,35,48,949	†....	†....	2,44,89,45,219	†....	† ....
*1918–19..	36616	1919	1,88,56,24,317	71,36,55,075	2,59,92,79,392	2,55,32,02,610	9,01,03,571	2,64,33,06,181
*1919–20..	36735	1920	2,21,70,24,425	78,23,88,554	2,99,94,12,979	3,32,75,78,755	13,67,97,719	3,46,43,76,474
*1920–21..	37029	1921	3,47,13,52,122	34,76,34,962	3,81,89,87,084	2,67,64,36,175	26,17,12,640	2,93,81,48,815
*1921–22..	37266	1922	2,82,59,75,453	31,29,90,526	3,13,89,65,979	2,48,65,76,106	19,06,73,144	2,67,72,49,250
*1922–23..	37618	1923	2,46,19,24,109	63,57,96,096	3,09,77,20,205	3,16,07,16,915	3,01,71,845	3,19,08,88,760
*1923–24..	38039	1924	2,37,18,32,279	53,20,40,566	2,90,38,72,845	3,63,37,63,664	3,67,32,510	3,67,04,96,174
*1924–25..	38270	1925	2,53,36,36,608	99,19,84,987	3,52,56,21,595	4,00,24,27,531	5,16,81,392	4,05,41,08,923
*1925–26..	38610	1926	2,36,00,12,595	55,48,77,580	2,91,48,90,175	3,86,81,21,842	3,83,91,668	3,90,65,13,510
*1926–27..	39048	1927	2,40,81,84,303	41,53,20,573	2,82,35,04,876	3,11,05,04,300	2,21,13,404	3,13,26,17,704
*1927–28..	39048	1928	2,61,53,40,569	34,89,52,529	2,96,42,94,098	3,30,26,37,283	3,13,60,896	3,33,39,98,179
*1928–29..	40330	1929	2,63,39,79,360	37,29,42,646	3,00,69,22,006	3,39,15,06,656	6,35,31,454	3,45,50,38,110
*1929–30..	41723	1930	2,49,70,74,490	27,83,19,584	2,77,53,94,074	3,18,98,97,089	5,14,33,004	3,24,13,30,093
*1930–31..	42281	1931	1,73,06,25,932	26,86,34,373	1,99,92,60,305	2,26,50,21,864	4,00,08,598	2,30,50,30,462
*1931–32..	42813	1932	1,30,64,28,506	7,26,80,825	1,37,91,09,331	1,61,20,22,325	65,92,85,265	2,27,13,07,590
1932–33..	42961	1933	1,35,01,62,514	2,99,13,188	1,38,00,75,702	1,36,09,70,079	70,66,15,528	2,04,75,85,607

* Official year ending 31st March.

† Figures not available.

FOREIGN TRADE OF BRITISH INDIA.

Summary of Imports and Exports in the Official Years 1927-1928 *to* 1932-1933.

	1927-1928.	1928-1929.	1929-1930.	1930-1931.	1931-1932.	1932-33.
IMPORTS—	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
Merchandise, Private.						
Bengal	86,40,90,570	89,00,88,734	83,37,64,794	51,20,96,789	34,66,08,177	35,43,50,471
Bombay	86,38,78,494	84,13,53,914	82,65,31,263	56,93,80,038	49,76,07,176	54,31,54,339
Sind	26,40,89,840	31,52,52,312	26,47,61,249	19,48,04,711	15,85,98,186	16,26,36,975
Madras	24,56,50,871	27,59,30,003	26,87,74,314	20,70,46,969	15,38,55,383	15,86,69,604
Burma	26,07,56,495	21,04,34,778	21,41,37,721	16,46,08,356	10,50,45,193	10,70,31,786
Total ..	2,49,84,66,270	2,53,30,59,741	2,40,79,69,341	1,64,79,36,863	1,26,37,14,116	1,32,58,43,175
Ditto Government Stores.	11,68,74,299	10,09,19,619	8,91,05,149	8,26,89,069	4,27,14,391	2,43,32,879
Total Merchandise ..	2,61,53,40,569	2,63,39,79,360	2,49,70,74,490	1,73,06,25,932	1,30,64,28,506	1,35,01,76,054
Treasure, Private.						
Bengal	3,89,93,399	4,76,07,328	3,65,74,287	4,19,45,115	1,22,75,682	26,61,723
Bombay	27,85,00,893	24,44,56,447	18,63,02,984	17,91,44,927	4,43,50,799	1,91,04,670
Sind	15,07,255	22,47,759	42,67,418	38,60,301	13,79,775	24,82,172
Madras	2,68,27,603	7,71,23,351	4,77,11,409	4,09,77,844	1,39,78,408	53,11,351
Burma	23,31,318	15,05,957	28,19,831	26,23,109	6,05,406	3,45,430
Total ..	34,81,60,468	37,29,40,842	27,76,75,929	26,85,51,296	7,25,90,070	2,99,05,346
Ditto. Government ..	7,93,061	1,804	6,43,655	83,077	90,755	7,842
Total Treasure ..	34,89,53,529	37,29,42,646	27,83,19,584	26,86,34,373	7,26,80,825	2,99,13,188
Grand Total of Imports..	2,96,42,94,098	3,00,69,22,006	2,77,53,94,074	1,99,92,60,305	1,37,91,09,331	1,38,00,89,242

EXPORTS—						
Merchandise, Private.						
Foreign Goods.						
Bengal	71,22,810	59,97,672	56,16,427	43,17,090	52,45,981	32,35,587
Bombay	6,93,85,784	5,02,42,831	4,52,10,018	3,23,21,172	2,84,33,268	1,97,33,172
Sind	1,39,48,036	1,77,73,194	1,66,71,547	1,10,43,710	91,41,349	60,69,776
Madras	38,11,360	29,43,641	28,78,293	27,12,109	27,13,669	22,60,283
Burma	11,09,777	13,75,553	8,92,377	10,46,234	10,51,993	8,94,628
Total ..	9,53,77,767	7,83,32,891	7,12,68,662	5,14,40,315	4,65,86,260	3,21,93,446
Indian Produce and Manufactures.						
Bengal	1,46,37,42,087	1,44,31,32,595	1,33,11,25,981	86,31,75,277	64,03,53,878	55,73,11,844
Bihar and Orissa ..	....	27,550	12,540	35,962	4,050	....
Bombay	60,23,69,058	78,69,93,575	69,70,96,113	53,02,13,733	31,50,95,935	23,16,87,185
Sind	27,18,67,431	27,24,63,187	23,85,59,629	16,96,80,056	11,53,26,924	10,82,66,781
Madras	43,89,35,855	46,29,50,419	44,72,27,190	32,00,75,147	25,97,94,915	23,55,04,692
Burma	41,46,20,935	33,57,11,460	39,40,33,747	32,17,46,163	22,83,10,392	19,12,86,735
Total ..	3,19,15,35,366	3,30,12,78,786	3,10,80,55,200	2,20,49,26,338	1,55,88,86,094	1,32,40,57,237

FOREIGN TRADE OF BRITISH INDIA.

Summary of Imports and Exports in the Official Years 1927-28 *to* 1932-33—(continued).

——	1927-1928.	1928-1929.	1929-1930.	1930-1931.	1931-1932.	1932-1933.
Total Foreign and Indian Merchandise exported Private.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
Bengal	1,47,08,64,897	1,44,91,30,267	1,33,67,42,408	86,74,92,367	64,55,99,859	56,05,47,431
Bihar and Orissa ..	....	27,550	12,540	35,962	4,050	....
Bombay	67,17,54,842	83,72,36,406	74,23,06,131	56,25,34,905	34,35,29,203	25,14,20,357
Sind	28,58,15,467	29,02,36,381	25,52,31,176	18,07,23,766	12,44,68,273	11,43,36,557
Madras	44,27,47,215	46,58,94,060	45,01,05,483	32,27,87,256	26,25,08,584	23,77,64,975
Burma	41,57,30,712	33,70,87,013	39,49,26,124	32,27,92,397	22,93,62,385	19,21,81,363
Total ..	3,28,69,13,133	3,37,96,11,677	3,17,93,23,862	2,25,63,66,653	1,60,54,72,354	1,35,65,50,683
Ditto Government Stores.	1,57,24,150	1,18,94,979	1,05,73,227	86,55,211	65,49,971	44,19,696
Total Merchandise ..	3,30,26,37,283	3,39,15,06,656	3,18,98,97,089	2,26,50,21,864	1,61,20,22,325	1,36,06,70,382
Treasure, Private						
Bengal	2,77,000	1,58,339	3,875	2,497	18,86,243	1,39,18,885
Bombay	2,41,19,331	2,57,10,915	1,28,86,958	2,24,41,712	61,21,26,871	60,68,16,363
Sind	13,55,450	17,20,150	21,05,500	11,25,035	44,38,871	69,04,770
Madras	91,999	4,00,931	5,46,367	6,92,941	58,31,107	4,37,41,748
Burma	4,05,909	13,20,545	1,44,454	10,000	47,81,131	78,10,367
Total ..	2,62,49,689	2,93,10,880	1,56,87,154	2,42,72,185	62,90,64,223	67,91,92,133
Ditto. Government ..	51,11,207	3,42,20,574	3,57,45,850	1,57,36,413	3,02,21,042	2,74,23,395
Total Treasure ..	3,13,60,896	6,35,31,454	5,14,33,004	4,00,08,598	65,92,85,265	70,66,15,528
Grand Total of Exports..	3,33,39,98,179	3,45,50,38,110	3,24,13,30,093	2,30,50,30,462	2,27,13,07,590	2,06,72,85,910

Value of the Imports of Gold and Silver Coin and Bullion into British India by Sea during the year ending 31st December 1933.

Countries.	Gold.			Silver.		
	Private.	Government.	Total.	Private.	Government.	Total.
	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
United Kingdom	4,08,043	....	4,08,043	38,45,181	....	38,45,181
France	....	....	....	....	....	....
Aden and Dependencies	11,52,668	....	11,52,668	7,163	57,436	64,599
Arabia	23,53,062	....	23,53,062	7,11,631	....	7,11,631
Iraq	17,806	....	17,806	31,90,790	....	31,90,790
Bahrein Islands	15,61,419	....	15,61,419	5,47,336	....	5,47,336
Persia	2,661	....	2,661	51,838	....	51,838
Ceylon	48,90,876	....	48,90,576	556	....	556
Straits Settlements (including Labaun) ..	25,324	....	25,324	806	....	806
China (Hongkong)	15,500	....	15,500	1,52,605	....	1,52,605
China (Other Ports)	34,895	....	34,895	254	....	254
Siam	....	....	....	96,000	....	96,000
Japan	....	....	....	30	....	30
Union of South Africa	1,65,582	....	1,65,582	90	....	90
Africa East	4,32,487	....	4,32,487	2,03,541	....	2,03,541
Anglo Egyptian Soudan	18,067	....	18,067	....	....	....
Egypt	....	....	....	3,311	....	3,311
Mauritius and Dependencies (including Seychelles).	1,18,789	....	1,18,789	216	....	216
United States of America	635	....	635	....	....	....
Australia and New Zealand	.... ..	....	..	49,450	....	49,450
Total	1,11,97,514	....	1,11,97,514	88,60,798	57,436	89,18,234

Value of the Exports of Gold and Silver Coin aad Bullion from British India by Sea during the year ending 31st December 1933.

Countries.	Gold.			Silver.		
	Private.	Government.	Total.	Private.	Government.	Total.
	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
United Kingdom	34,62,38,058	....	34,62,38,058	70,34,348	3,18,75,523	3,89,09,871
Netherlands	2,16,16,785	....	2,16,16,785	....	....	....
France	2,22,30,110	....	2,22,30,110	5,942	....	5,942
Italy	54,38,798	....	54,38,798	....	....	....
Aden and Dependencies	4,126	....	4,126	....	....	....
Arabia	2,21,718	....	2,21,718	1,13,700	....	1,13,700
Bahrein Islands	....	....	....	6,70,000	....	6,70,000
Iraq	....	....	....	....	....	....
Ceylon	....	....	....	559	....	559
Persia	....	....	....	37,850	....	37,850
Africa East	....	....	....	2,00,000	....	2,00,000
United States of America	11,67,99,215	....	11,67,99,215	....	3,00,41,553	3,00,41,553
Straits Settlements (including Labuan)	....	....	....	....	....	....
Australia and New Zealand ..	....	....	....	....	....	....
Siam	....	....	....	....	....	....
China	....	....	....	59,115	....	59,115
Japan	....	....	....	....	....	....
Total ..	51,25,48,810	....	51,25,48,810	81,21,514	6,19,17,076	7,00,38,590

Total Imports of Treasure on Private Account from Foreign Countries and Indian Ports into Bombay by Sea during the year 1933. (*From* 1*st January to* 31*st December* 1933.)

From	Gold.			Silver.			
	Bullion.	Sovereigns and Half Sovereigns.	Other Coin.	Bullion.	Dollars.	Government of India Rupees.	Other Coin.
	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
United Kingdom, London-Liverpool, etc...	4,03,840	....	....	3,22,416	....	....	....
Continent of Europe-Marseilles, etc.	....	....	....	....	....	....	....
Egypt	11,006	6,900	160	....	....	3,311	....
Aden	3,63,647	7,65,986	29,580	....	....	7,163	....
China	....	....	....	....	....	1,04,705	....
Bangkok	....	....	....	....	....	96,000	....
Straits Settlements ..	3,799	....	....	....	....	....	....
Iraq	....	5,268	....	....	....	31,07,843	....
Arabian Ports	25,15,942	10,55,268	1,53,521	7,110	....	7,96,394	2,357
Gwadhur	5,469	....	....	....	....	.....	....
Mauritius	64,257	11,506	....	....	....	.....	....
African Ports	3,10,496	2,58,826	....	2,791	....	2,00,500	....
Indian Ports	12,228	38,000	....	1,11,729	3,91,631	47,038	1,47,035
Total ..	36,90,684	21,41,754	1,83,261	4,44,046	3,91,631	43,62,954	1,49,392

Total Exports of Treasure on Private Account to Foreign Countries and Indian Ports from Bombay by Sea during the year 1933. (*From* 1*st January to* 31*st December* 1933.)

To	Gold.			Silver.			
	Bullion.	Sovereigns and Half-Soverigns.	Other Coin.	Bullion.	Dollars.	Government of India Rupees.	Other Coin.
	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
United Kingdom, London-Liverpool, etc.	19,08,58,835	69,15,618	....	65,965	....	....	4,677
Continent of Europe-Marseilles, etc.	3,66,81,913	41,03,713	105	....	5,942	....	....
London or Paris	59,47,832	8,88,134	....	....	....	....	....
London or Amsterdam ..	2,21,57,455	78,900	....	....	....	....	....
London or Paris or Amsterdam	4,46,18,342	....	....	....	....	....	....
London or Paris or New York.	86,34,432	9,55,991	....	....	....	....	....
London or Paris or Amsterdam or New York ..	2,62,16,756	17,48,216	....	....	....	....	....
London or Amsterdam or New York	3,95,093	....	....	....	....	....	....
London or New York ..	1,57,46,735	2,80,260	....	....	....	....	....
United States of America ..	10,70,85,533	11,07,978	....	....	....	....	....
Egypt	....	....	....	....	....	....	....
Aden	4,125	....	....	....	....	....	....
China	....	....	....	....	....	....	....
Bangkok	....	....	....	....	....	....	....
Straits Settlements	....	....	....	....	....	....	....
Iraq	....	....	....	....	....	....	....
Arabian Ports	....	2,21,718	....	....	....	4,70,000	....
Gwadhur	....	....	....	....	....	....	....
Mauritius	....	....	....	....	....	....	....
African Ports	....	....	....	....	..	2,00,000	....
Indian Ports	....	11,904	....	6,50,923	1,200	....	1,047
Total ..	45,83,47,051	1,63,12,432	105	7,16,888	7,142	6,70,000	5,724

Exports of Cotton, Wool, Linseed, Rape Seed, Gingelly Seed, Wheat and Myrabollams from Bombay by Sea to Europe (including Port Said for orders) during the years 1892 to 1923

Years.	Cotton.	Wool and Goat Hair.	Linseed.	Rape Seed.	Gingelly Seed.	Wheat.	Myrabollams.
	Bales.	Bales.	Cwts.	Cwts.	Cwts.	Cwts.	Cwts.
1892	954,243	53,275	3,805,823	1,758,459	1,227,560	9,374,762	620,133
1893	857,771	49,538	4,319,264	4,275,862	1,510,317	5,043,690	563,053
1894	797,070	54,678	5,389,941	3,306,108	1,126,418	1,561,048	1,076,482
1895	624,465	61,586	2,639,749	1,829,827	1,379,335	2,522,933	775,582
1896	772,258	58,520	3,214,613	1,495,463	1,186,842	1,429,572	839,314
1897	511,899	51,710	775,838	1,874,663	831,398	5,343	555,081
1898	490,544	51,653	2,729,122	2,287,393	1,847,419	5,781,881	635,732
1899	500,232	53,272	2,136,142	1,967,680	1,613,679	2,852,863	752,343
1900	232,425	40,611	811,128	1,050,052	1,613,135	608	878,740
1901	560,434	33,091	1,754,701	2,586,544	1,704,817	38,619	728,055
1902	577,929	39,793	2,017,704	2,742,283	1,881,426	211,397	1,079,241
1903	958,199	49,332	2,957,635	2,614,181	3,063,821	2,783,625	748,137
1904	926,295	58,319	3,808,789	2,182,881	2,266,118	5,302,304	958,886
1905	667,323	63,666	3,485,956	728,041	1,420,503	4,205,315	621,298
1906	989,693	59,101	1,889,089	829,438	1,578,931	485,747	779,584
1907	1,126,376	54,390	2,333,472	2,026,544	2,235,206	552,660	848,293
1908	659,822	47,344	1,046,806	802,923	1,018,619	12,740	1,304,388
1909	672,247	69,121	1,843,403	1,273,005	1,620,631	2,177,644	76,757
1910	1,153,233	68,059	2,546,238	2,137,828	2,864,185	1,673,016	917,208
1911	776,417	62,721	4,905,089	1,383,053	2,016,231	3,326,327	662,892
1912	436,208	64,072	3,579,356	1,069,916	1,012,554	3,805,556	652,080
1913	736,262	63,244	3,713,812	1,042,510	1,695,000	4,997,989	549,483
1914	1,113,016	54,555	2,622,097	678,060	1,280,036	109,323	755,687

Exports of Cotton, Wool, Linseed, Rape Seed, Gingelly Seed, Wheat and Myrabollams from Bombay by Sea to Europe (including Port Said for orders) during the years 1892 *to* 1923—continued.

Years.	Cotton.	Wool and Hair.	Linseed.	Rape Seed.	Gingelly Seed.	Wheat.	Myrabollams.
	Bales.	Bales.	Cwts.	Cwts.	Cwts.	Cwts.	Cwts.
1915	403,322	82,456	1,603,837	543,494	150,068	1,593,092	601,144
1916	293,876	77,109	5,410,560	451,732	1,130,405	545,656	422,965
1917	358,378	84,151	2,630,619	321,811	639,091	4,636,634	408,692
1918	190,529	109,850	2,474,109	73,181	3,552	1,487,714	300,061
1919	337,043	63,938	2,689,540	396,514	331,022	126,416	538,022
1920	649,736	42,920	1,511,233	729,716	678,059	....	346,812
1921	503,215	36,931	524,442	165,908	264,842	....	419,329
1922	628,674	75,326	2,307,369	464,045	610,412	1,000	525,031
1923	980,710	51,734	3,043,144	786,356	156,675	419,046	389,198

Exports of Cotton, Wool, Linseed, Rape Seed, Gingelly Seed, Wheat and Myrabollams from Bombay by Sea to all Foreign Countries during the years 1924 *to* 1933.

1924	2,520,053	75,992	2,990,141	881,200	468,157	547,085	888,994
1925	2,820,629	66,329	3,524,849	531,136	812,900	1,187,532	605,257
1926	2,257,802	46,347	1,585,096	77,894	72,752	138,592	719,078
1927	2,052,225	57,996	1,641,559	52,861	80,010	32,880	883,259
1928	2,563,221	71,769	1,828,077	189,435	471,740	68,162	641,162
1929	2,678,328	83,264	1,576,531	35,838	415,725	47,553	729,169
1930	2,755,604	41,532	2,110,422	13,354	19,708	32,857	732,974
1931	2,194,682	49,201	926,552	18,155	83,802	71,035	644,706
1932	924,302	33,474	491,481	39,023	248,126	26,236	592,374
1933	1,545,511	57,388	3,298,611	49,677	305,965	25,937	709,041

STATEMENT showing the Exports from Bombay by Sea of Indian Manufactured Cotton Piece-Goods and Yarns since 1907.

Year ending 31st Dec.	Grey and White Piece-Goods.			Coloured Piece-Goods.		Total Piece-Goods.			Yarns.	
	Packages.	Yards.	lbs.	Packages.	Yards.	Packages.	Yards.	lbs. *	Bales.	lbs.
1907	123,967	222,306,983	60,617,174	31,486	51,605,269	155,453	273,912,252	68,478,063	608,980	241,085,783
1908	120,300	215,698,687	60,862,003	30,997	50,792,342	151,297	266,491,029	66,622,757	598,621	234,484,640
1909	141,920	252,992,500	70,093,139	39,326	66,751,717	181,246	319,744,217	79,936,054	636,329	252,460,745
1910	136,972	250,489,940	68,312,314	45,333	75,673,845	182,305	326,163,785	81,540,946	565,999	223,758,970
1911	122,601	224,438,698	63,524,949	54,000	89,411,376	176,601	313,850,074	78,462,518	403,214	158,582,640
1912	126,681	231,976,527	66,009,051	64,169	107,289,928	190,850	339,266,455	84,816,614	579,281	228,759,617
1913	97,005	177,239,570	50,527,978	55,071	92,467,657	152,076	269,707,227	67,426,327	518,230	205,207,962
1914	91,837	169,515,937	49,361,518	42,084	72,602,270	133,921	242,118,207	60,529,552	437,159	173,172,953
1915	108,956	199,968,079	58,350,926	61,045	103,038,333	170,001	303,006,412	75,751,603	471,395	186,585,698
1916	175,923	248,326,445	70,956,464	82,818	139,616,532	258,741	387,942,977	96,985,744	410,972	162,627,300
1917	111,845	176,934,869	46,119,953	86,909	148,290,803	198,754	325,225,672	81,306,418	373,187	147,167,250
1918	94,071	153,463,774	40,025,958	71,424	126,063,308	165,495	279,527,082	69,881,770	193,275	75,599,059
1919	132,112	219,343,388	56,536,165	116,313	202,286,577	248,425	421,629,965	105,407,491	372,212	146,832,081
1920	149,552	241,230,910	61,482,863	157,042	120,332,112	306,594	361,563,022	90,390,755	288,778	113,351,962
1921	120,739	212,563,435	53,577,720	99,518	159,572,347	220,257	372,135,782	93,033,945	314,330	124,310,163
1922	138,769	254,292,354	65,928,239	100,581	176,411,422	239,350	430,703,776	107,675,944	267,711	105,122,885
1923	173,381	304,497,408	69,452,982	110,243	180,990,710	283,624	485,488,118	121,372,029	215,036	83,657,151
1924	177,950	320,087,971	75,657,413	103,999	169,055,231	281,949	489,143,202	122,285,800	175,175	67,861,329
1925	133,458	233,217,232	55,688,235	96,447	158,069,128	229,905	391,286,360	97,821,590	176,210	67,892,155
1926	119,331	210,752,239	50,243,116	112,795	180,075,412	232,126	390,827,651	97,706,912	175,869	67,786,883
1927	130,963	229,773,883	55,215,566	118,474	196,438,974	249,437	426,212,857	106,553,214	156,999	60,555,498
1928	100,699	177,282,508	34,777,044	97,936	157,677,505	198,635	334,960,013	83,740,003	102,954	40,816,700
1929	106,748	193,179,168	38,635,833	82,351	147,586,666	189,099	340,765,834	85,191,458	125,577	54,361,428
1930	136,281	241,220,836	48,964,399	75,555	122,465,715	211,836	363,686,551	90,921,637	126,006	50,490,540
1931	192,578	342,654,885	68,686,328	80,346	127,129,785	272,924	469,784,670	117,446,167	142,236	65,666,253
1932	294,483	794,303,908	106,795,020	72,177	108,236,606	366,660	902,540,514	225,635,128	122,156	46,294,310
1933	209,259	390,535,659	78,065,873	58,052	87,899,693	267,311	478,435,357	119,608,839	112,059	43,557,629

* The weights have been arrived at by dividing the length in yards by 4.00, the average weight of the Grey and Bleached Cloths.

Exports of Indian Manufactured Cotton Yarns by Sea and Rail from Bombay (Converted into Bales of 400 lbs. each) since 1897.

1st January to 31st December.	To China.	To Japan.	Total to China and Japan.	Total to other Ports.	Total Exports by Sea.	Total Exports by Rail.*	Total Exports by Sea and Rail.
1897	361,221	645	361,866	91,095	452,961	5,822	458,783
1898	437,645	475	438,120	108,691	546,811	7,100	553,911
1899	579,619	250	579,869	94,029	673,898	4,408	678,306
1900	253,331	100	253,431	87,998	341,429	5,480	346,909
1901	536,195	....	536,195	99,599	635,794	6,670	642,464
1902	555,487	....	555,487	111,259	666,746	7,427	674,173
1903	604,044	....	604,044	113,256	717,300	8,348	725,648
1904	460,316	3	460,319	113,381	573,700	9,789	583,489
1905	651,870	....	651,870	91,603	743,473	8,099	751,572
1906	596,926	500	597,426	99,628	697,054	15,417	712,471
1907	412,127	200	412,327	190,387	602,714	19,218	621,932
1908	441,899	....	441,899	144,312	586,211	18,334	604,545
1909	510,746	....	510,746	120,406	631,152	19,302	650,454
1910	424,893	....	424,893	130,506	555,399	19,103	574,502
1911	275,087	....	275,087	121,369	396,456	18,927	415,383
1912	433,989	....	433,989	137,910	571,899	13,400	585,299
1913	405,359	....	405,359	107,661	513,020	15,011	528,031
1914	324,586	....	324,586	108,346	432,932	30,957	463,889

1915	358,777	....	358,777	107,687	466,464	44,192	510,656
1916	303,692	....	303,692	102,876	406,568	37,846	444,414
1917	286,365	107	286,472	81,446	367,918	48,203	416,121
1918	108,568	....	108,568	80,429	188,997	87,115	276,112
1919	270,058	389	270,447	96,633	367,080	47,980	415,060
1920	175,688	....	175,688	107,692	283,380	119,436	402,816
1921	152,911	10	152,921	157,854	310,775	153,575	464,350
1922	118,970	....	118,970	143,837	262,807	167,543	430,350
1923	58,241	....	58,241	150,901	209,142	166,491	375,633
1924	31,161	....	31,161	138,493	169,654	123,461	293,115
1925	28,623	10	28,633	141,097	169,730	143,174	312,904
1926	44,152	36	44,188	125,279	169,467	¶	....
1927	2,753	67	2,820	148,568	151,388	¶	....
1928	3,660	....	3,660	98,381	102,041	¶	....
1929	3,169	....	3,169	132,734	135,903	¶	....
1930	1,831	....	1,831	124,395	126,226	¶	....
1931	213	....	213	142,023	142,236	¶	....
1932	....	....	.....	115,736	115,736	¶	....
1933	....	....	....	108,894	108,894	¶	....

* Compiled from Returns received from the Railway Companies.

¶ Figures not available.

Foreign Countries to which Cotton Grey Piece-Goods of Indian manufacture have been exported from Bombay by Sea since 1928-29.

(*Year ending* 31*st March.*)

To	In lakhs of yards (000's omitted).				
	1928-29.	1929-30.	1930-31.	1931-32.	1932-33.
United Kingdom	..	.03	..	.01	1.22
Aden and Dependencies ..	23.24	15.60	17.09	9.80	1.70
Bahrein Islands	1.32	1.59	.38	.05	.01
Ceylon	3.41	.51	.50	.62	1.29
Straits Settlements including Labuan	1.75	.46	.13	.13	1.38
Cyprus	.12	2.16	.33	.35	..
Natal	1.94	.96	.03	.31	.02
Zanzibar and Pemba	11.53	11.94	6.41	4.13	2.55
Kenya Colony (formerly known as East African Protectorate) .	16.79	22.82	9.59	10.44	5.25
Tanganyika Territory	28.16	21.48	17.48	20.77	6.05
Somaliland Protectorate ..	..	..	..	..	..
Anglo-Egyptian Sudan	13.59	10.56	4.99	2.35	1.14
Mauritius and Dependencies ..	2.42	1.77	.54	.55	1.18
Seychelles	.33	.58	.03	.27	.33
Other British Possessions ..	.62	1.64	.72	.53	.59
Greece	.54	..	..	..	..
Turkey, European	.70	..	..	..	..
Turkey, Asiatic	.28	..	..	..	..
Syria	1.59	.75	..	..	..
Muscat Territory and Trucial Oman	1.44	1.33	.75	.84	.16
Other Native States in Arabia ..	2.31	3.43	1.32	1.85	.21
Iraq	.94	4.26	1.32	.	1.11
Persia	.62	1.72	1.43	2.62	.27
Siam	4.92	1.33	.43	.12	.01
Egypt	5.89	6.80	4.74	4.05	..
Portuguese East Africa	22.21	23.67	22.06	19.00	16.92
Smyrna	.40	.92	..	..	..
Italian East Africa (Somaliland and Eriterea)	1.77	2.44	1.59	.07	.38
French Somaliland	7.45	5.70	3.76	4.25	3.12
Other Foreign countries ..	.93	.24	.10	.07	.01
Total Grey Piece-Goods ..	157.21	144.69	95.72	83.18	44.91
Value in lakhs of Rupees ..	47.12	41.41	25.70	22.22	11.99

Foreign Countries to which Indian Cotton Yarns have been exported from Bombay by Sea since 1928-29.

(*Year ending* 31*st March.*)

To	In lakhs of lbs. (000's omitted.)				
	1928-29.	1929-30.	1930-31.	1931-32.	1932-33.
United Kingdom	2.60	1.54	2.13	1.51	1.98
Malta and Gozo	.21	.23	.05	.08	.11
Cyprus	1.50	3.46	1.95	2.34	1.23
Aden and Dependencies	44.48	46.00	47.36	22.41	20.75
Bahrein Islands	2.49	1.70	.77	1.21	.89
Palestine	.80	1.55	1.92	3.07	3.60
Iraq	15.67	13.56	11.36	17.02	10.99
Ceylon	.22	.30	.57	.18	.06
Straits Settlements including Labuan	11.23	9.28	5.15	7.28	4.65
Hongkong	18.86	7.73	8.80	1.30	..
Tanganyika Territory	.13	.19	.15	.16	.20
Anglo-Egyptian Sudan	.01	.50	.01	..	..
Zanzibar and Pemba	.48	.87	.69	.44	.36
Kenya Colony	.73	.69	.68	.82	.86
Natal	.48	.57	2.04	2.34	..
Australasia	.18	.13	.19	.06	..
Other British Possessions ..	.02	.01	.28	.02	.08
Italy	.93	.09	.34	..	..
Greece	4.90	3.06	1.50	.28	.77
Tripoli	.26	.13	..	..	.48
Serbcroat Slovene State	.02	..	..	..	..
Bulgaria	4.79	3.83	1.90	5.56	2.86
Roumania	.13	.13	..	..	..
Celebes and other Islands ..	.15	.58	..	..	..
Egypt	39.87	45.40	38.68	21.95	3.29
Syria	19.02	19.62	19.73	21.40	22.83
Smyrna	2.33	3.91	2.68	.10	..
Turkey, European	2.10	.94	1.58	.32	.23
Turkey, Asiatic	4.17	3.75	1.03	.56	..
Muscat Territory & Trucial Oman	2.01	2.10	1.93	1.74	1.35
Other Native States in Arabia ..	.80	1.18	2.01	2.07	2.46
Persia	31.68	41.83	44.64	65.30	36.53
Siam	18.49	16.97	15.77	10.54	7.56
Phillippine Islands and Guano ..	.62	.21	.03	..	..
China exclds. Hongkong ..	.09	.11	..	.06	..
Japan	..	..	..	..	..
Portuguese East Africa	.37	1.17	1.71	.94	.33
Italian East Africa	.32	.64	.35	.59	.33
French Somaliland	4.90	6.86	8.94	19.76	18.21
Other Foreign Countries ..	1.22	2.01	.45	.52	.26
Total Yarns ..	239.26	242.83	227.66	212.60	143.23
Value in lakhs of Rupees ..	192.86	187.98	154.22	124.24	74.88

SHIPPING—

Number and Tonnage of Vessels, distinguishing Sailing and from and to Foreign Countries at Ports in British

EN

YEAR.	With Cargoes.						In	
	Sailing.		Steam		Total.		Sailing.	
	Vessels.	Net Tons.	Vessels.	Net Tons.	Vessels.	Net Tons.	Vessels.	Net Tons.
1921-1922 ..	853	88,901	2,522	6,877,448	3,375	6,966,349	267	34,553
1922-1923 ..	659	71,602	2,329	6,450,186	2,988	6,521,788	275	34,759
1923-1924 ..	686	68,682	2,341	6,667,894	3,027	6,736,576	315	34,724
1924-1925 ..	635	64,215	2,395	6,924,434	3,030	6,988,649	365	33,645
1925-1926 ..	640	61,953	2,411	7,041,419	3,051	7,103,372	357	32,931
1926-1927 ..	518	51,249	2,365	6,930,836	2,883	6,982,085	397	30,415
1927-1928 ..	564	51,794	2,571	7,598,539	3,135	7,650,333	405	38,459
1928-1929 ..	491	43,303	2,718	8,187,016	3,200	8,230,319	420	39,941
1929-1930 ..	538	47,775	2,721	8,327,048	3,259	8,374,823	293	28,862
1930-1931 ..	402	41,665	2,538	7,858,281	3,030	7,899,946	338	33,838
1931-1932 ..	522	42,853	2,328	73,37,802	2,850	7,380,655	313	30,232
1932-1933	†	†	†	†	2,633	6,949,376	†	†

CLEAR

1921-1922 ..	1,072	118,979	2,457	6,433,979	3,539	6,552,958	83	7,945
1922-1923 ..	978	111,857	2,620	7,332,572	3,598	7,443,929	61	9,306
1923-1924 ..	1,016	108,942	2,745	7,897,122	3,761	8,006,064	29	2,003
1924-1925 ..	885	92,947	2,918	8,497,229	3,803	8,590,176	148	7,552
1925-1926 ..	858	87,319	2,727	8,093,319	3,585	8,180,638	65	5,229
1926-1927 ..	871	89,181	2,630	7,800,807	3,501	7,889,988	32	2,901
1927-1928 ..	992	96,946	2,667	7,828,456	3,659	7,925,402	24	2,500
1928-1929 ..	963	91,108	2,804	8,367,598	3,767	8,458,706	30	3,510
1929-1930 ..	873	82,070	2,889	8,778,665	3,762	8,860,735	23	1,462
1930-1931 ..	920	86,604	2,525	7,829,064	3,445	7,915,668	53	3,686
1931-1932 ..	843	76,101	2,339	7,484,153	3,182	7,560,254	47	4,381
1932-1933 ..	†	†	†	†	3,074	7,282,670	†	†

† Details not

FOREIGN TRADE.

Steam, which Entered and Cleared with Cargoes and in Ballast, India in each Official Year from 1921-1922 *to* 1932-33.

TERED.

Ballast.				Total.				Grand Total.	
Steam.		Total.		Sailing.		Steam.			
Vessels.	Net Tons.	Vessels.	Net Tons.	Vessels.	Net Tons.	Vessels.	Net Tons.	Sailing and Steam Vessels.	Net Tons.
306	640,908	573	675,461	1,120	123,454	2,828	7,518,356	3,948	7,641,810
271	741,792	546	776,551	934	106,361	2,600	7,191,978	3,534	7,298,339
413	1,265,081	728	1,299,755	1,001	103,406	2,754	7,932,925	3,755	8,036,331
537	1,591,293	902	1,624,938	1,000	97,860	2,932	8,515,727	3,932	8,613,587
375	1,105,602	732	1,198,623	997	94,884	2,786	8,207,111	3,783	8,301,995
402	1,323,166	709	1,362,581	915	90,664	2,767	8,254,002	3,682	8,344,666
378	1,188,018	783	1,226,507	969	90,253	2,949	8,786,587	3,918	8,876,840
417	1,247,053	837	1,286,904	911	83,244	3,135	9,434,069	4,046	9,517,313
420	1,244,004	713	1,272,866	831	76,637	3,141	9,571,052	3,972	9,647,689
338	1,071,846	676	1,105,684	830	75,503	2,876	8,930,127	3,706	9,005,630
292	959,696	604	986,345	835	73,085	2,620	8,297,498	3,455	8,370,583
†	†	†	†	†	†	†	†	†	†

ED.

477	1,452,254	560	1,460,199	1,155	126,924	2,984	7,886,233	4,089	8,013,157
236	742,897	297	752,208	1,089	120,663	2,856	8,075,469	3,895	8,196,132
161	569,327	190	571,420	1,045	111,035	2,906	8,466,449	3,951	8,577,484
139	444,757	287	452,309	1,088	100,499	3,057	8,941,986	4,090	9,042,485
190	647,728	255	652,951	923	92,542	2,917	8,741,047	3,840	8,883,589
223	800,786	165	808,037	906	92,082	2,858	8,601,548	3,756	8,693,625
233	773,760	257	776,350	1,016	99,536	2,900	8,602,216	3,916	8,701,752
277	892,628	807	896,138	998	94,618	3,081	9,260,226	4,074	9,354,844
248	876,507	271	877,069	896	88,532	3,137	9,656,172	4,033	9,788,704
255	871,331	308	873,017	978	90,290	2,780	8,790,396	3,753	8,790,685
173	623,075	220	627,456	890	80,482	2,512	8,197,228	3,402	8,187,710
†	†	†	†	†	†	†	†	†	†

available.

SHIPPING—

Number and Tonnage of Vessels, distinguishing Sailing and Steam, Foreign Countries at the Chief Ports of the Bombay

EN

YEAR.	With Cargoes.						In	
	Sailing.		Steam.		Total.		Sailing.	
	Vessels.	Net Tons.	Vessels.	Net Tons.	Vessels.	Net Tons.	Vessels.	Net Tons.
1921-1922 ..	197	25,854	745	2,404,470	942	2,430,324	3	649
1922-1923 ..	140	18,649	598	2,148,809	738	2,167,458	1	217
1923-1924 ..	147	18,271	576	2,195,809	723	2,214,080	3	811
1924-1925 ..	150	19,098	584	2,224,340	734	2,243,438	4	937
1925-1926 ..	143	17,724	616	2,330,516	759	2,348,240	1	88
1926-1927 ..	110	14,547	548	2,115,885	658	2,130,432	3	631
1927-1928 ..	140	15,411	640	2,465,823	780	2,481,234	..	..
1928-1929 ..	123	13,381	615	2,500,473	738	2,513,854	..	..
1929-1930 ..	120	12,527	645	2,728,985	765	2,741,512	..	..
1930-1931 ..	105	10,134	601	2,578,353	706	2,588,487	..	..
1931-1932 ..	96	10,303	539	2,530,376	635	2,540,679	..	..
1932-1933 ..	102	10,587	565	2,016,674	667	2,027,261	..	..

CLEAR

1921-1922 ..	137	17,550	479	1,571,560	616	1,589,110	5	663
1922-1923 ..	143	17,080	485	1,746,456	628	1,763,536	..	..
1923-1924 ..	127	14,416	416	1,653,432	543	1,667,848	2	433
1924-1925 ..	79	8,848	402	1,563,419	481	1,572,267	4	843
1925-1926 ..	115	13,244	419	1,662,530	534	1,675,774	4	564
1926-1927 ..	87	9,785	347	1,438,438	434	1,448,216	7	1,162
1927-1928 ..	101	11,383	422	1,688,802	523	1,700,185	..	..
1928-1929 ..	80	8,027	449	1,956,501	529	1,964,528	1	250
1929-1930 ..	84	8,185	474	2,086,533	558	2,094,718	1	56
1930-1931 ..	77	7,561	433	1,983,856	510	1,991,417	3	323
1931-1932 ..	69	6,552	429	2,183,882	498	2,190,434	1	56
1932-1933 ..	81	7,858	470	2,027,271	551	2,035,129	3	277

FOREIGN TRADE.

which Entered and Cleared with Cargoes and in Ballast, from and to Presidency in each Official Year from 1921-1922 *to* 1932-1933.

TERED.

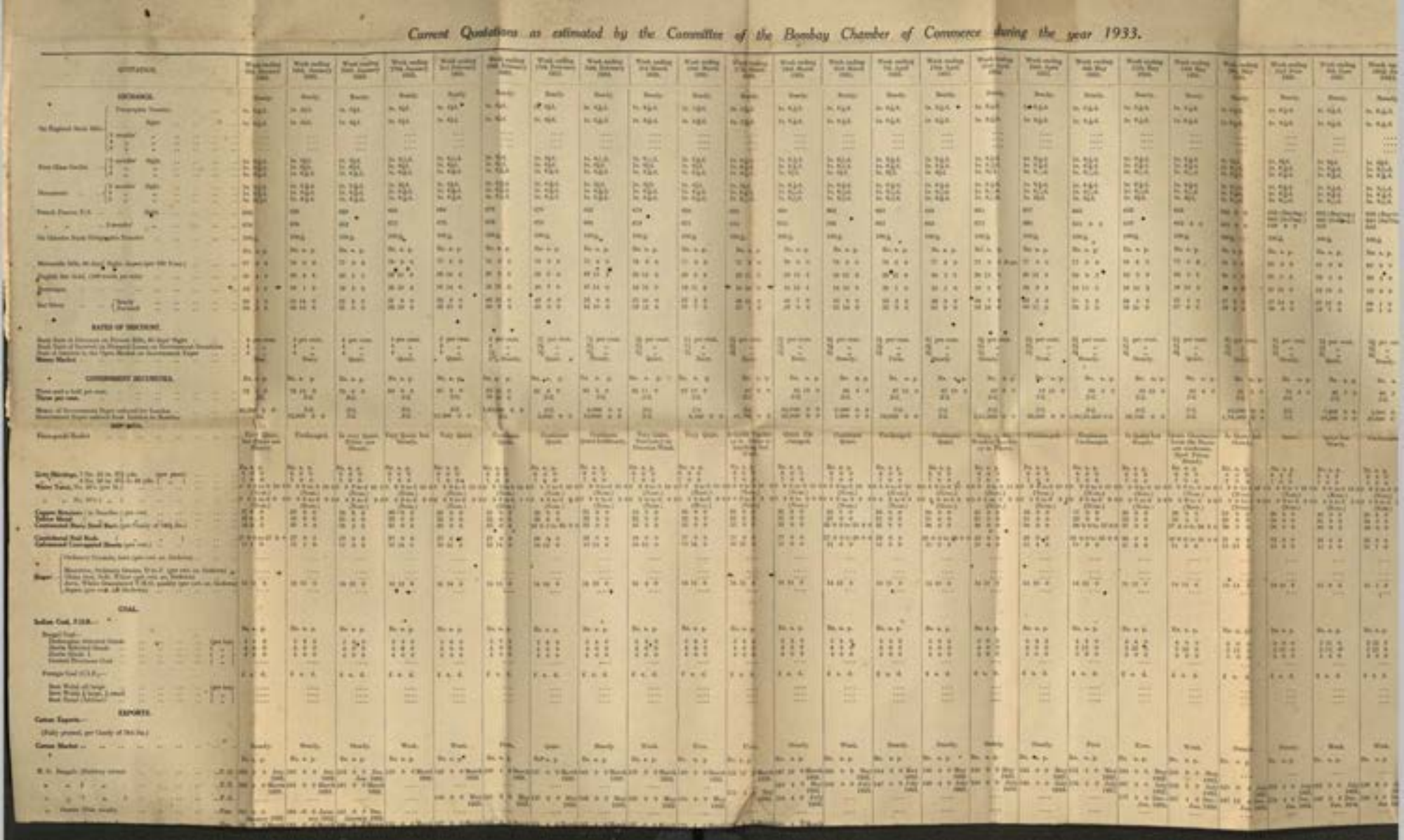
Ballast.				Total.				Grand Total.	
Steam.		Total.		Sailing.		Steam.			
Vessels.	Net Tons.	Vessels.	Net Tons.	Vessels.	Net Tons.	Vessels.	Net Tons.	Sailing and Steam Vessels.	Net Tons.
39	88,046	42	88,695	200	26,503	784	2,492,516	994	2,519,019
45	135,260	46	135,477	141	18,866	643	2,284,060	784	2,302,935
67	251,568	70	252,379	150	19,082	643	2,447,377	793	2,466,459
49	146,965	53	147,902	154	20,035	633	2,371,395	787	2,391,340
36	103,893	37	103,981	144	17,812	652	2,434,409	796	2,452,221
33	124,024	36	124,655	113	15,178	581	2,239,909	694	2,255,087
38	117,289	38	117,289	140	15,411	678	2,583,112	818	2,598,523
45	171,240	45	171,240	123	13,381	660	2,671,713	783	2,685,024
30	97,629	30	97,629	120	12,587	675	2,826,614	795	2,839,141
29	135,797	29	135,797	105	10,134	630	2,714,150	735	2,724,848
23	106,963	23	106,963	96	10,303	562	2,637,339	658	2,647,642
18	60,723	18	60,723	102	10,587	583	2,077,397	685	2,987,984

ED.

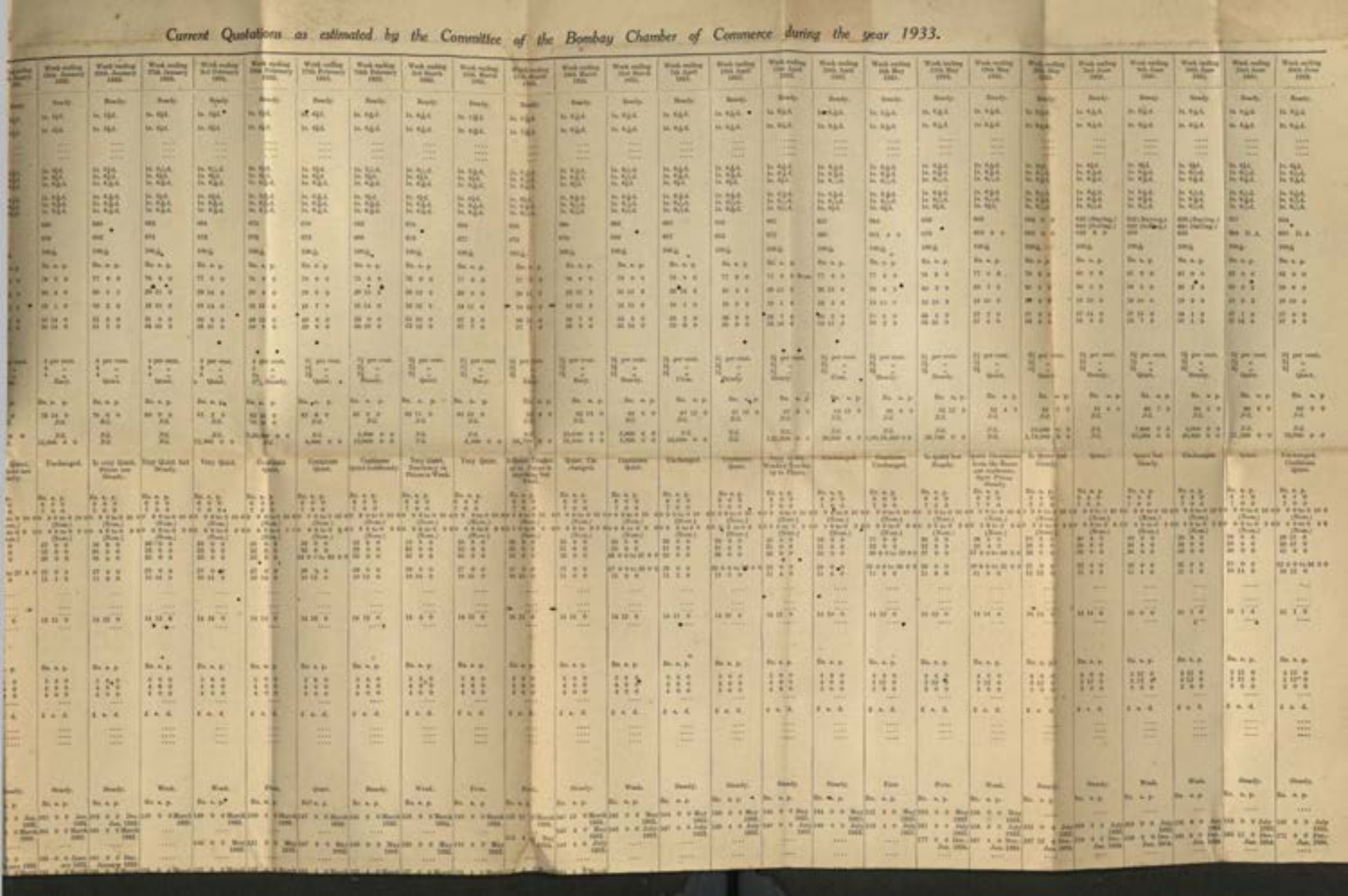
246	732,015	251	732,678	142	18,213	725	2,303,575	867	2,321,788
111	355,716	113	255,716	143	17,080	596	2,102,172	739	2,119,252
83	307,975	85	308,408	129	14,849	499	1,961,407	628	1,976,256
49	166,899	53	167,742	83	9,691	451	1,730,316	534	1,740,009
70	272,770	74	273,334	119	13,808	489	1,935,800	608	1,949,108
84	333,836	91	334,998	94	10,947	431	1,772,267	525	1,783,214
61	240,467	61	240,462	101	11,333	483	1,929,269	584	1,940,652
70	253,734	71	253,984	81	8,277	519	2,210,235	600	2,218,512
72	277,934	73	277,990	85	8,241	546	2,364,467	631	2,372,808
65	244,762	68	248,085	80	7,884	498	2,231,618	578	2,239,502
54	215,836	55	215,892	70	6,608	483	2,399,718	553	2,406,326
60	222,535	63	222,812	84	8,135	530	2,849,806	614	2,857,941

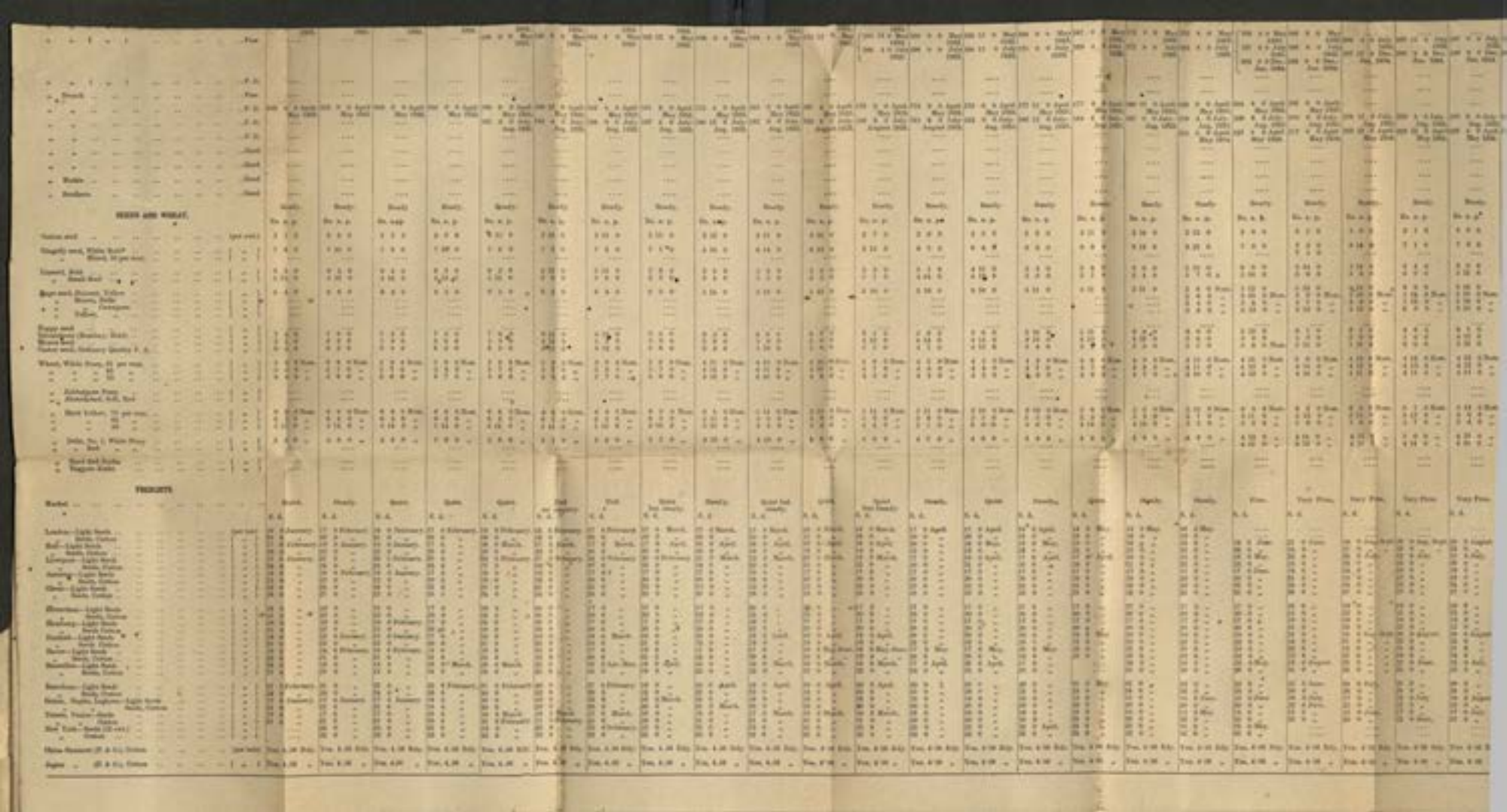
The Times of India Press, Bombay—J. 177 33.

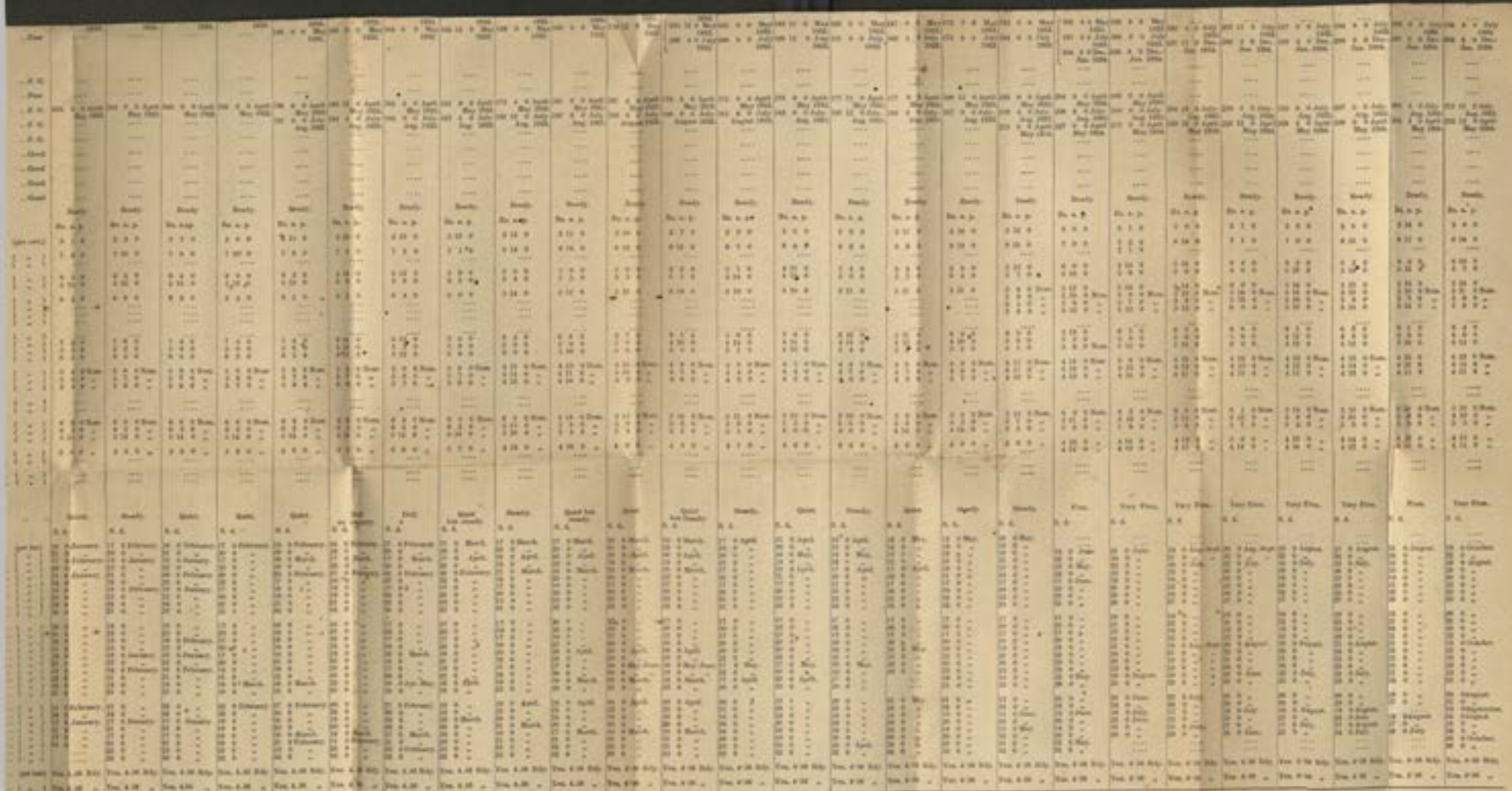
Current Quotations as estimated by the Committee of the Bombay Chamber of Commerce during the year 1933.



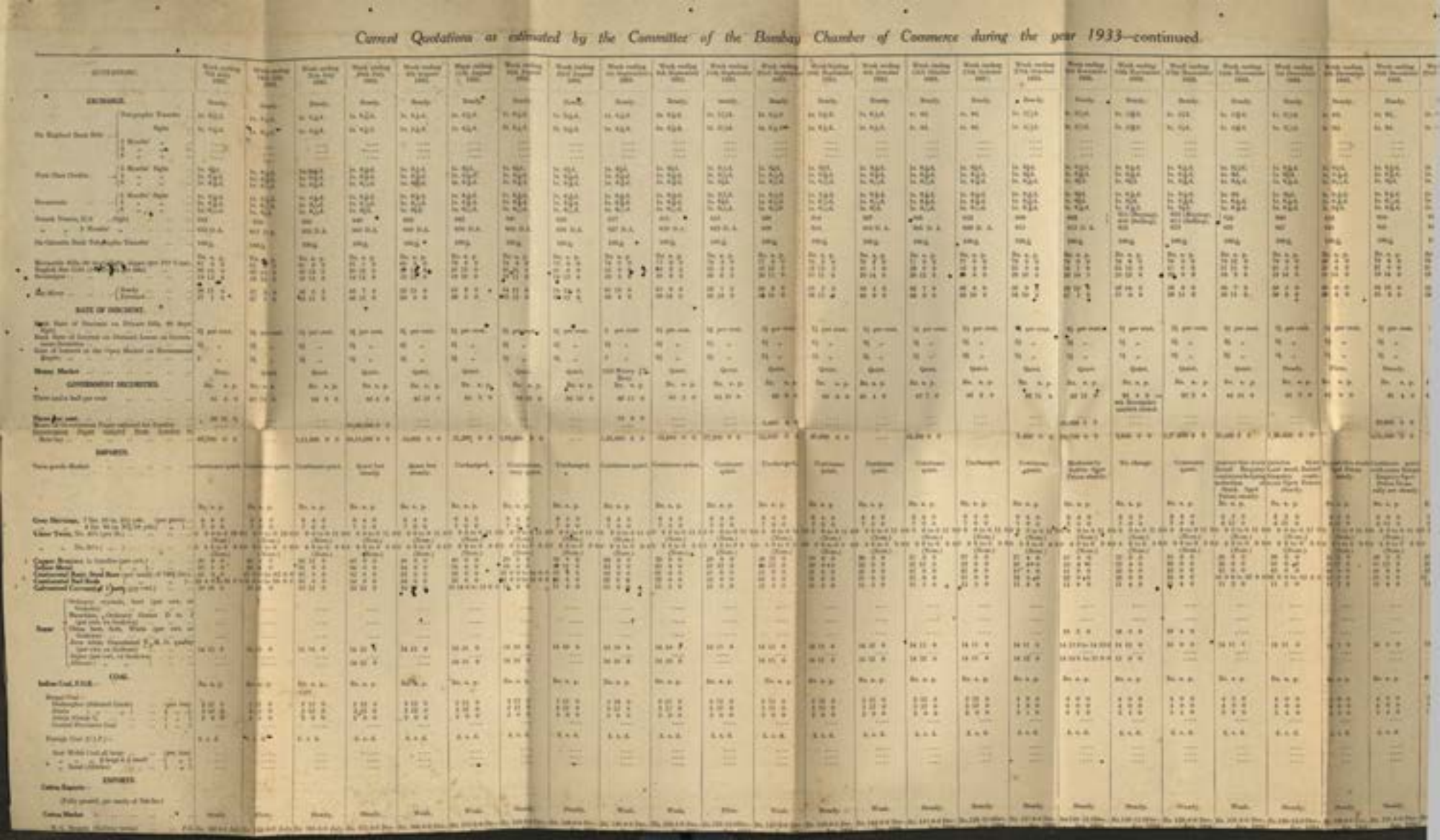
Current Quotations as estimated by the Committee of the Bombay Chamber of Commerce during the year 1933.



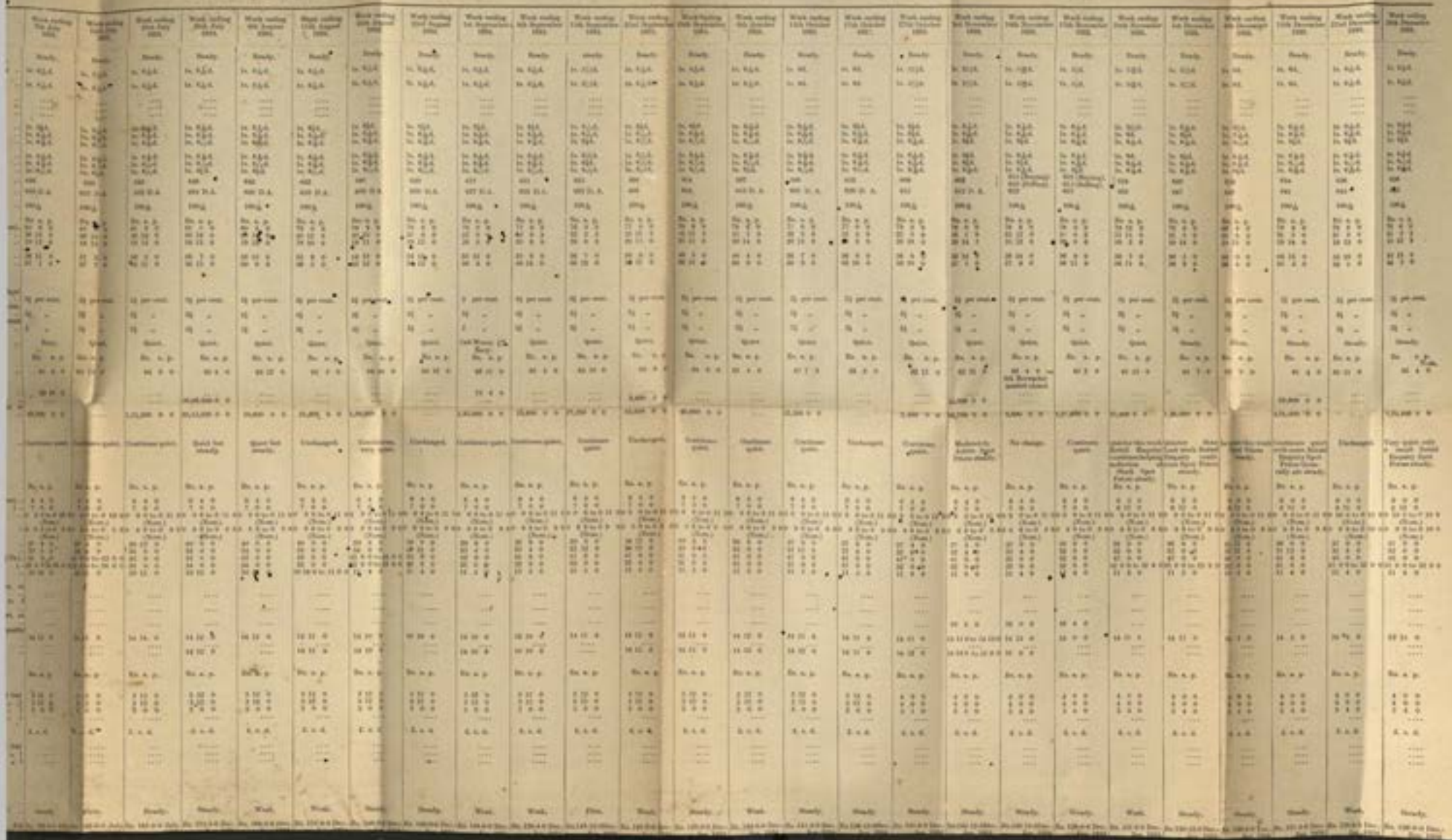


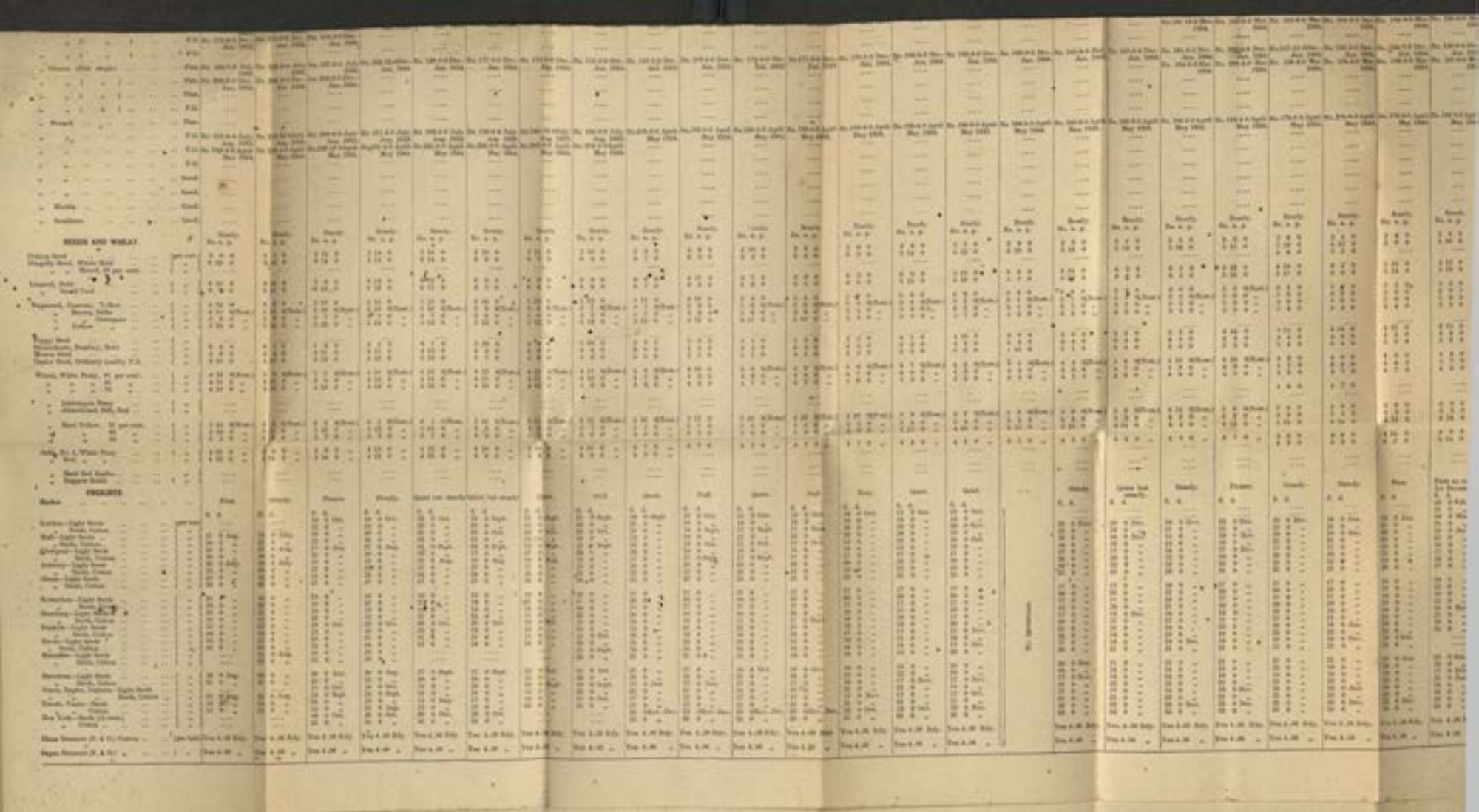


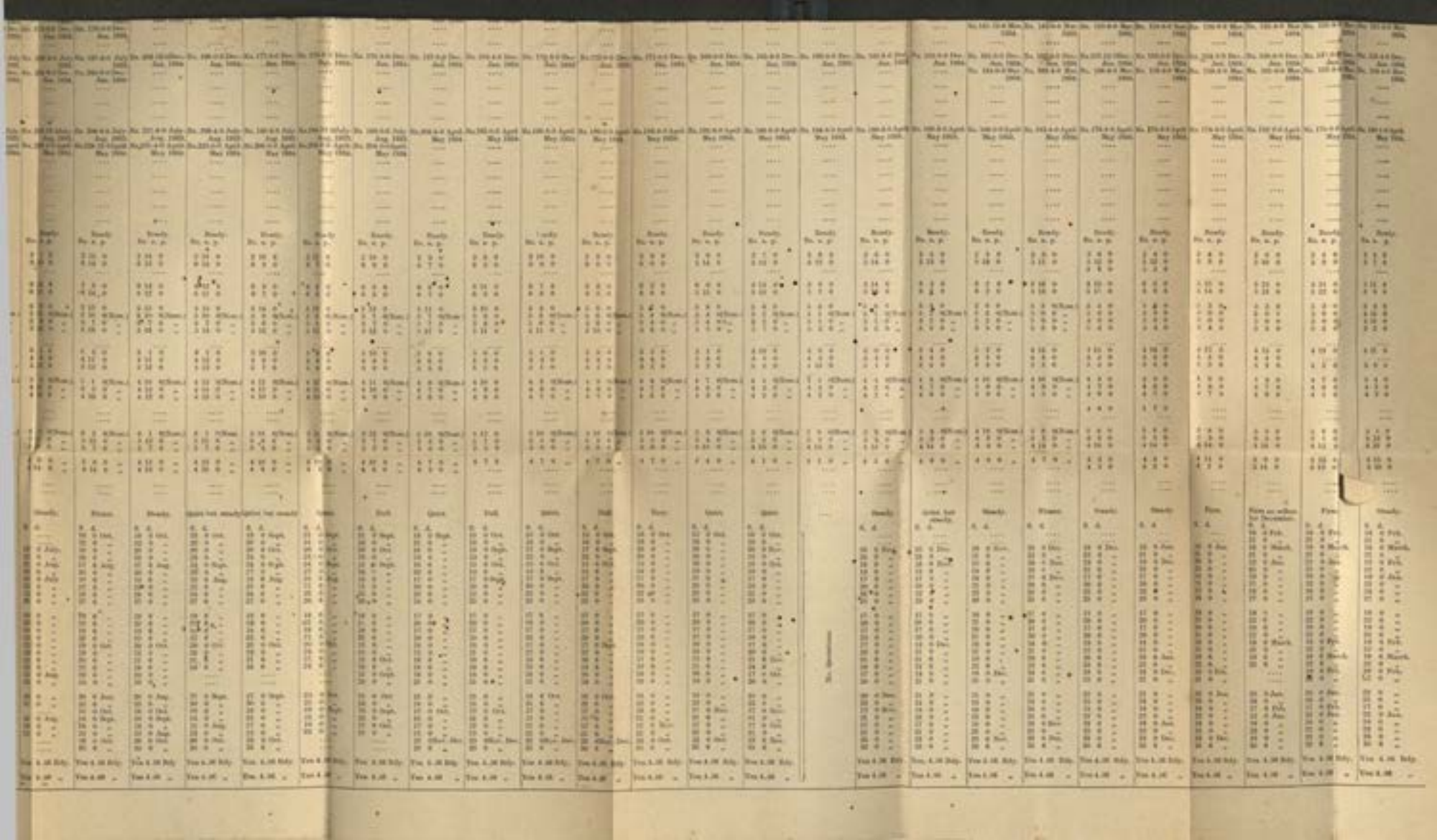
Current Quotations as estimated by the Committee of the Bombay Chamber of Commerce during the year 1933—continued.



Current Quotations as estimated by the Committee of the Bombay Chamber of Commerce during the year 1933—continued.







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